

**SUSPEND THE RULES AND PASS THE BILL, S. 2856, WITH
AMENDMENTS**

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109TH CONGRESS
2D SESSION

S. 2856

AN ACT

To provide regulatory relief and improve productivity for insured depository institutions, and for other purposes.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*

3 **SECTION 1. SHORT TITLE; TABLE OF CONTENTS.**

4 (a) SHORT TITLE.—This Act may be cited as the
5 “Financial Services Regulatory Relief Act of 2006”.

6 (b) TABLE OF CONTENTS.—The table of contents for
7 this Act is as follows:

Sec. 1. Short title; table of contents.

TITLE I—BROKER RELIEF

Sec. 101. ~~Rulemaking~~ *Joint rulemaking* required for revised definition of broker in the Securities Exchange Act of 1934.

TITLE II—MONETARY POLICY PROVISIONS

Sec. 201. Authorization for the Federal reserve to pay interest on reserves.

Sec. 202. Increased flexibility for the Federal Reserve Board to establish reserve requirements.

Sec. 203. Effective date.

TITLE III—NATIONAL BANK PROVISIONS

Sec. 301. Voting in shareholder elections.

Sec. 302. Simplifying dividend calculations for national banks.



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- Sec. 303. Repeal of obsolete limitation on removal authority of the Comptroller of the Currency.
- Sec. 304. Repeal of obsolete provision in the Revised Statutes.
- Sec. 305. *Enhancing the authority for banks to make community development investments.*

TITLE IV—SAVINGS ASSOCIATION PROVISIONS

- Sec. 401. Parity for savings associations under the Securities Exchange Act of 1934 and the Investment Advisers Act of 1940.
- Sec. 402. Repeal of overlapping rules governing purchased mortgage servicing rights.
- Sec. 403. Clarifying citizenship of Federal savings associations for Federal court jurisdiction.
- Sec. 404. Repeal of limitation on loans to one borrower.

TITLE V—CREDIT UNION PROVISIONS

- Sec. 501. Leases of land on Federal facilities for credit unions.
- Sec. 502. Increase in general 12-year limitation of term of Federal credit union loans to 15 years.
- Sec. 503. Check cashing and money transfer services offered within the field of membership.
- Sec. 504. Clarification of definition of net worth under certain circumstances for purposes of prompt corrective action.
- Sec. 505. *Amendments relating to nonfederally insured credit unions.*

TITLE VI—DEPOSITORY INSTITUTION PROVISIONS

- Sec. 601. Reporting requirements relating to insider lending.
- Sec. 602. Investments by insured savings associations in bank service companies authorized.
- Sec. 603. Authorization for member bank to use pass-through reserve accounts.
- Sec. 604. Streamlining reports of condition.
- Sec. 605. Expansion of eligibility for 18-month examination schedule for community banks.
- Sec. 606. Streamlining depository institution merger application requirements.
- Sec. 607. Nonwaiver of privileges.
- Sec. 608. Clarification of application requirements for optional conversion for Federal savings associations.
- Sec. 609. Exemption from disclosure of privacy policy for accounting firms.
- Sec. 610. Inflation adjustment for the small depository institution exception under the Depository Institution Management Interlocks Act.
- Sec. 611. Modification to cross marketing restrictions.

TITLE VII—BANKING AGENCY PROVISIONS

- Sec. 701. Statute of limitations for judicial review of appointment of a receiver for depository institutions.
- Sec. 702. Enhancing the safety and soundness of insured depository institutions.
- Sec. 703. Cross guarantee authority.
- Sec. 704. Golden parachute authority and nonbank holding companies.
- Sec. 705. Amendments relating to change in bank control.
- Sec. 706. Amendment to provide the Federal Reserve Board with discretion concerning the imputation of control of shares of a company by trustees.



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- Sec. 707. Interagency data sharing.
- Sec. 708. Clarification of extent of suspension, removal, and prohibition authority of Federal banking agencies in cases of certain crimes by institution-affiliated parties.
- Sec. 709. Protection of confidential information received by Federal banking regulators from foreign banking supervisors.
- Sec. 710. Prohibition on participation by convicted individuals.
- Sec. 711. Coordination of State examination authority.
- Sec. 712. Deputy Director; succession authority for Director of the Office of Thrift Supervision.
- Sec. 713. Office of Thrift Supervision representation on Basel Committee on Banking Supervision.
- Sec. 714. Federal Financial Institutions Examination Council.
- Sec. 715. Technical amendments relating to insured institutions.
- Sec. 716. Clarification of enforcement authority.
- Sec. 717. Federal banking agency authority to enforce deposit insurance conditions.
- Sec. 718. Receiver or conservator consent requirement.
- Sec. 719. Acquisition of FICO scores.
- Sec. 720. Elimination of criminal indictments against receiverships.
- Sec. 721. Resolution of deposit insurance disputes.
- Sec. 722. Recordkeeping.
- Sec. 723. Preservation of records.
- Sec. 724. Technical amendments to information sharing provision in the Federal Deposit Insurance Act.
- Sec. 725. Technical and conforming amendments relating to banks operating under the Code of Law for the District of Columbia.
- Sec. 726. Technical corrections to the Federal Credit Union Act.
- Sec. 727. Repeal of obsolete provisions of the Bank Holding Company Act of 1956.
- Sec. 728. Development of model privacy forms.

TITLE VIII—FAIR DEBT COLLECTION PRACTICES ACT AMENDMENTS

- Sec. 801. Exception for certain bad check enforcement programs.
- Sec. 802. *Other amendments.*

TITLE IX—CASH MANAGEMENT MODERNIZATION

- Sec. 901. Collateral modernization.

TITLE X—STUDIES AND REPORTS

- Sec. 1001. Study and report by the Comptroller General on the currency transaction report filing system.
- Sec. 1002. Study and report on institution diversity and consolidation.



1 **TITLE I—BROKER RELIEF**
2 **SEC. 101. JOINT RULEMAKING REQUIRED FOR REVISED**
3 **DEFINITION OF BROKER IN THE SECURITIES**
4 **EXCHANGE ACT OF 1934.**

5 (a) FINAL RULES REQUIRED.—

6 (1) AMENDMENT TO SECURITIES EXCHANGE
7 ACT.—Section 3(a)(4) of the Securities Exchange
8 Act of 1934 (15 U.S.C. 78c(a)(4)) is amended by
9 adding at the end the following:

10 “(F) ~~RULEMAKING~~ *JOINT RULEMAKING RE-*
11 *QUIRED.—The Commission and the Board of*
12 *Governors of the Federal Reserve System shall ;*
13 *by rule, jointly adopt a single set of rules or reg-*
14 *ulations to implement the exceptions in sub-*
15 *paragraph (B).”.*

16 (2) TIMING.—Not later than 180 days after the
17 date of *the* enactment of this Act, the Securities and
18 Exchange Commission (in this section referred to as
19 the “Commission”) ~~shall issue proposed rules and~~
20 *the Board of Governors of the Federal Reserve System*
21 *(hereafter in this section referred to as the “Board”)*
22 *shall jointly issue a proposed single set of rules or reg-*
23 *ulations* to define the term “broker” in accordance
24 with section 3(a)(4) of the Securities Exchange Act
25 of 1934, as amended by this subsection.



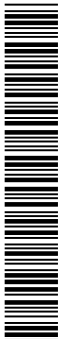
1 (3) RULEMAKING SUPERSEDES PREVIOUS
2 RULEMAKING.—A final ~~rule~~ *issued single set of rules*
3 *or regulations jointly adopted* in accordance with this
4 section shall supersede any other proposed or final
5 rule issued by the Commission *on or after the date*
6 *of enactment of section 201 of the Gramm-Leach-Bliley*
7 *Act* with regard to the exceptions to the defini-
8 tion of a broker under section 3(a)(4)(B) of the Se-
9 curities Exchange Act of 1934, ~~on or after the date~~
10 ~~of enactment of section 201 of the Gramm-Leach-~~
11 ~~Bliley Act~~. No such other rule, whether or not issued
12 in final form, shall have any force or effect on or
13 after that date of enactment.

14 (b) CONSULTATION.—Prior to ~~issuing the final rule~~
15 *jointly adopting the single set of final rules or regulations*
16 required by this section, the Commission *and the Board*
17 shall consult with and seek the concurrence of the Federal
18 banking agencies concerning the content of such rule-
19 making in implementing section 3(a)(4)(B) of the Securi-
20 ties Exchange Act of 1934, as amended by this section
21 and section 201 of the Gramm-Leach-Bliley Act.

22 (c) AGENCY OBJECTIONS TO COMMISSION RULE.—

23 (1) FILING OF PETITION FOR REVIEW.—

24 (A) IN GENERAL.—Any Federal banking
25 agency may obtain review of any final rule



1 issued under this section in the United States
2 Court of Appeals for the District of Columbia
3 Circuit by filing in such court, not later than 60
4 days after the date of publication of the final
5 rule, a written petition requesting that the rule
6 be set aside.

7 (B) EXPEDITED PROCESS.—Any pro-
8 ceeding to challenge such a rule commenced
9 under subparagraph (A) shall be expedited by
10 the Court of Appeals.

11 (2) TRANSMITTAL OF PETITION AND
12 RECORD.—

13 (A) SUBMISSION TO CLERK.—A copy of a
14 petition described in paragraph (1) shall be
15 transmitted as soon as possible by the Clerk of
16 the Court to an officer or employee of the Com-
17 mission designated for that purpose.

18 (B) FILING OF PETITION.—Upon receipt
19 of a petition under subparagraph (A), the Com-
20 mission shall file with the court the rule under
21 review and any documents referred to therein,
22 and any other relevant materials prescribed by
23 the court.

24 (3) EXCLUSIVE JURISDICTION.—On the date of
25 the filing of a petition under paragraph (1), the



1 court has jurisdiction, which becomes exclusive on
2 the filing of the materials set forth in paragraph (2),
3 to affirm and enforce or to set aside the rule at
4 issue.

5 (4) STANDARD OF REVIEW.—The court shall
6 determine to affirm and enforce or set aside a rule
7 of the Commission under this subsection, based on
8 the determination of the court as to whether the rule
9 is consistent with the purposes and language of sec-
10 tion 3(a)(4)(B) of the Securities Exchange Act of
11 1934, as amended by section 201 of the Gramm-
12 Leach-Bliley Act, and appropriate in light of the his-
13 tory, purpose, and extent of the rule under the Fed-
14 eral securities laws and the Federal banking laws,
15 giving deference neither to the views of the Commis-
16 sion nor of the Federal banking agencies.

17 (5) JUDICIAL STAY.—The filing of a petition by
18 a Federal banking agency under paragraph (1) shall
19 operate as a judicial stay, until the date on which
20 the determination of the court is final (including any
21 appeal of such determination).

22 (d) (c) DEFINITION.—For purposes of this section,
23 the term “Federal banking agencies” means the Board of
24 Governors of the Federal Reserve System, the Office of



1 the Comptroller of the Currency, the Office of Thrift Su-
2 pervision, and the Federal Deposit Insurance Corporation.

3 **TITLE II—MONETARY POLICY**
4 **PROVISIONS**

5 **SEC. 201. AUTHORIZATION FOR THE FEDERAL RESERVE TO**
6 **PAY INTEREST ON RESERVES.**

7 (a) IN GENERAL.—Section 19(b) of the Federal Re-
8 serve Act (12 U.S.C. 461(b)) is amended by adding at
9 the end the following:

10 “(12) EARNINGS ON BALANCES.—

11 “(A) IN GENERAL.—Balances maintained
12 at a Federal Reserve bank by or on behalf of
13 a depository institution may receive earnings to
14 be paid by the Federal Reserve bank at least
15 once each calendar quarter, at a rate or rates
16 not to exceed the general level of short-term in-
17 terest rates.

18 “(B) REGULATIONS RELATING TO PAY-
19 MENTS AND DISTRIBUTIONS.—The Board may
20 prescribe regulations concerning—

21 “(i) the payment of earnings in ac-
22 cordance with this paragraph;

23 “(ii) the distribution of such earnings
24 to the depository institutions which main-



1 tain balances at such banks, or on whose
2 behalf such balances are maintained; and

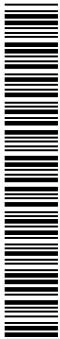
3 “(iii) the responsibilities of depository
4 institutions, Federal Home Loan Banks,
5 and the National Credit Union Administra-
6 tion Central Liquidity Facility with respect
7 to the crediting and distribution of earn-
8 ings attributable to balances maintained,
9 in accordance with subsection (c)(1)(A), in
10 a Federal Reserve bank by any such entity
11 on behalf of depository institutions.

12 “(C) DEPOSITORY INSTITUTIONS DE-
13 FINED.—For purposes of this paragraph, the
14 term ‘depository institution’, in addition to the
15 institutions described in paragraph (1)(A), in-
16 cludes any trust company, corporation orga-
17 nized under section 25A or having an agree-
18 ment with the Board under section 25, or any
19 branch or agency of a foreign bank (as defined
20 in section 1(b) of the International Banking Act
21 of 1978).”.

22 (b) CONFORMING AMENDMENT.—Section 19 of the
23 Federal Reserve Act (12 U.S.C. 461) is amended—

24 (1) in subsection (b)(4)—

25 (A) by striking subparagraph (C); and



1 (B) by redesignating subparagraphs (D)
2 and (E) as subparagraphs (C) and (D), respec-
3 tively; and

4 (2) in subsection (c)(1)(A), by striking “sub-
5 section (b)(4)(C)” and inserting “subsection (b)”.

6 **SEC. 202. INCREASED FLEXIBILITY FOR THE FEDERAL RE-**
7 **SERVE BOARD TO ESTABLISH RESERVE RE-**
8 **QUIREMENTS.**

9 Section 19(b)(2)(A) of the Federal Reserve Act (12
10 U.S.C. 461(b)(2)(A)) is amended—

11 (1) in clause (i), by striking “the ratio of 3 per
12 centum” and inserting “a ratio of not greater than
13 3 percent (and which may be zero)”; and

14 (2) in clause (ii), by striking “and not less than
15 8 per centum,” and inserting “(and which may be
16 zero),”.

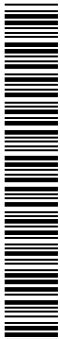
17 **SEC. 203. EFFECTIVE DATE.**

18 *The amendments made by this title shall take effect*
19 *October 1, 2011.*

20 **TITLE III—NATIONAL BANK**
21 **PROVISIONS**

22 **SEC. 301. VOTING IN SHAREHOLDER ELECTIONS.**

23 Section 5144 of the Revised Statutes of the United
24 States (12 U.S.C. 61) is amended—



1 (1) by striking “or to cumulate” and inserting
2 “or, if so provided by the articles of association of
3 the national bank, to cumulate”; and

4 (2) by striking the comma after “his shares
5 shall equal”.

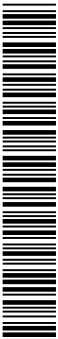
6 **SEC. 302. SIMPLIFYING DIVIDEND CALCULATIONS FOR NA-**
7 **TIONAL BANKS.**

8 (a) IN GENERAL.—Section 5199 of the Revised Stat-
9 utes of the United States (12 U.S.C. 60) is amended to
10 read as follows:

11 **“SEC. 5199. NATIONAL BANK DIVIDENDS.**

12 “(a) IN GENERAL.—Subject to subsection (b), the di-
13 rectors of any national bank may declare a dividend of
14 so much of the undivided profits of the bank as the direc-
15 tors judge to be expedient.

16 “(b) APPROVAL REQUIRED UNDER CERTAIN CIR-
17 CUMSTANCES.—A national bank may not declare and pay
18 dividends in any year in excess of an amount equal to the
19 sum of the total of the net income of the bank for that
20 year and the retained net income of the bank for the pre-
21 ceding 2 years, minus the sum of any transfers required
22 by the Comptroller of the Currency and any transfers re-
23 quired to be made to a fund for the retirement of any
24 preferred stock, unless the Comptroller of the Currency



1 approves the declaration and payment of dividends in ex-
2 cess of such amount.”.

3 (b) CLERICAL AMENDMENT.—The table of sections
4 for chapter three of title LXII of the Revised Statutes of
5 the United States is amended by striking the item relating
6 to section 5199 and inserting the following:

“5199. National bank dividends.”.

7 **SEC. 303. REPEAL OF OBSOLETE LIMITATION ON REMOVAL**
8 **AUTHORITY OF THE COMPTROLLER OF THE**
9 **CURRENCY.**

10 Section 8(e)(4) of the Federal Deposit Insurance Act
11 (12 U.S.C. 1818(e)(4)) is amended by striking the 5th
12 sentence.

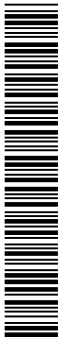
13 **SEC. 304. REPEAL OF OBSOLETE PROVISION IN THE RE-**
14 **vised Statutes.**

15 Section 5143 of the Revised Statutes of the United
16 States (12 U.S.C. 59) is amended to read as follows:

17 **“SEC. 5143. REDUCTION OF CAPITAL.**

18 “(a) IN GENERAL.—Subject to the approval of the
19 Comptroller of the Currency, a national banking associa-
20 tion may, by a vote of shareholders owning, in the aggre-
21 gate, two-thirds of its capital stock, reduce its capital.

22 “(b) SHAREHOLDER DISTRIBUTIONS AUTHOR-
23 IZED.—As part of its capital reduction plan approved in
24 accordance with subsection (a), and with the affirmative
25 vote of shareholders owning at least two thirds of the

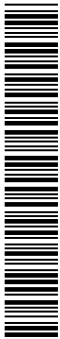


1 shares of each class of its stock outstanding (each voting
2 as a class), a national banking association may distribute
3 cash or other assets to its shareholders.”.

4 **SEC. 305. ENHANCING THE AUTHORITY FOR BANKS TO**
5 **MAKE COMMUNITY DEVELOPMENT INVEST-**
6 **MENTS.**

7 (a) *NATIONAL BANKS.*—*The paragraph designated as*
8 *the “Eleventh.” of section 5136 of the Revised Statutes of*
9 *the United States (12 U.S.C. 24) is amended to read as*
10 *follows:*

11 *“Eleventh. To make investments directly or indirectly,*
12 *each of which promotes the public welfare by benefiting pri-*
13 *marily low- and moderate-income communities or families*
14 *(such as by providing housing, services, or jobs). An associa-*
15 *tion shall not make any such investment if the investment*
16 *would expose the association to unlimited liability. The*
17 *Comptroller of the Currency shall limit an association’s in-*
18 *vestments in any 1 project and an association’s aggregate*
19 *investments under this paragraph. An association’s aggre-*
20 *gate investments under this paragraph shall not exceed an*
21 *amount equal to the sum of 5 percent of the association’s*
22 *capital stock actually paid in and unimpaired and 5 per-*
23 *cent of the association’s unimpaired surplus fund, unless*
24 *the Comptroller determines by order that the higher amount*
25 *will pose no significant risk to the affected deposit insur-*



1 *ance fund, and the association is adequately capitalized.*
2 *In no case shall an association's aggregate investments*
3 *under this paragraph exceed an amount equal to the sum*
4 *of 15 percent of the association's capital stock actually paid*
5 *in and unimpaired and 15 percent of the association's*
6 *unimpaired surplus fund. The foregoing standards and lim-*
7 *itations apply to investments under this paragraph made*
8 *by a national bank directly and by its subsidiaries."*

9 *(b) CONFORMING AMENDMENTS FOR STATE MEMBER*
10 *BANKS.—The 23rd undesignated paragraph of section 9 of*
11 *the Federal Reserve Act (12 U.S.C. 338a) is amended to*
12 *read as follows:*

13 *"(23) A State member bank may make invest-*
14 *ments directly or indirectly, each of which promotes*
15 *the public welfare by benefiting primarily low- and*
16 *moderate-income communities or families (such as by*
17 *providing housing, services, or jobs), to the extent per-*
18 *missible under State law. A State member bank shall*
19 *not make any such investment if the investment*
20 *would expose the State member bank to unlimited li-*
21 *ability. The Board shall limit a State member bank's*
22 *investment in any 1 project and a State member*
23 *bank's aggregate investments under this paragraph.*
24 *The aggregate amount of investments of any State*
25 *member bank under this paragraph may not exceed*



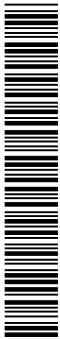
1 *an amount equal to the sum of 5 percent of the State*
2 *member bank's capital stock actually paid in and*
3 *unimpaired and 5 percent of the State member bank's*
4 *unimpaired surplus, unless the Board determines, by*
5 *order, that a higher amount will pose no significant*
6 *risk to the affected deposit insurance fund; and the*
7 *State member bank is adequately capitalized. In no*
8 *case shall the aggregate amount of investments of any*
9 *State member bank under this paragraph exceed an*
10 *amount equal to the sum of 15 percent of the State*
11 *member bank's capital stock actually paid in and*
12 *unimpaired and 15 percent of the State member*
13 *bank's unimpaired surplus. The foregoing standards*
14 *and limitations apply to investments under this*
15 *paragraph made by a State member bank directly*
16 *and by its subsidiaries."*

17 **TITLE IV—SAVINGS**
18 **ASSOCIATION PROVISIONS**

19 **SEC. 401. PARITY FOR SAVINGS ASSOCIATIONS UNDER THE**
20 **SECURITIES EXCHANGE ACT OF 1934 AND**
21 **THE INVESTMENT ADVISERS ACT OF 1940.**

22 (a) SECURITIES EXCHANGE ACT OF 1934.—

23 (1) DEFINITION OF BANK.—Section 3(a)(6) of
24 the Securities Exchange Act of 1934 (15 U.S.C.
25 78c(a)(6)) is amended—



1 (A) in subparagraph (A), by inserting “or
2 a Federal savings association, as defined in sec-
3 tion 2(5) of the Home Owners’ Loan Act” after
4 “a banking institution organized under the laws
5 of the United States”; and

6 (B) in subparagraph (C)—

7 (i) by inserting “or savings associa-
8 tion, as defined in section 2(4) of the
9 Home Owners’ Loan Act” after “banking
10 institution”; and

11 (ii) by inserting “or savings associa-
12 tions” after “having supervision over
13 banks”.

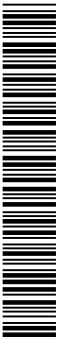
14 (2) INCLUSION OF OTS UNDER THE DEFINITION
15 OF APPROPRIATE REGULATORY AGENCY FOR CER-
16 TAIN PURPOSES.—Section 3(a)(34) of the Securities
17 Exchange Act of 1934 (15 U.S.C. 78c(a)(34)) is
18 amended—

19 (A) in subparagraph (A)—

20 (i) in clause (ii), by striking “(i) or
21 (iii)” and inserting “(i), (iii), or (iv)”;

22 (ii) in clause (iii), by striking “and”
23 at the end;

24 (iii) by redesignating clause (iv) as
25 clause (v); and



1 (iv) by inserting after clause (iii) the
2 following:

3 “(iv) the Director of the Office of
4 Thrift Supervision, in the case of a savings
5 association (as defined in section 3(b) of
6 the Federal Deposit Insurance Act (12
7 U.S.C. 1813(b))), the deposits of which are
8 insured by the Federal Deposit Insurance
9 Corporation, a subsidiary or a department
10 or division of any such savings association,
11 or a savings and loan holding company;
12 and”;

13 (B) in subparagraph (B)—

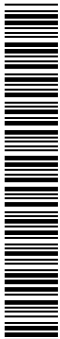
14 (i) in clause (ii), by striking “(i) or
15 (iii)” and inserting “(i), (iii), or (iv)”;

16 (ii) in clause (iii), by striking “and”
17 at the end;

18 (iii) by redesignating clause (iv) as
19 clause (v); and

20 (iv) by inserting after clause (iii) the
21 following:

22 “(iv) the Director of the Office of
23 Thrift Supervision, in the case of a savings
24 association (as defined in section 3(b) of
25 the Federal Deposit Insurance Act (12



1 U.S.C. 1813(b))), the deposits of which are
2 insured by the Federal Deposit Insurance
3 Corporation, or a subsidiary of any such
4 savings association, or a savings and loan
5 holding company; and”;

6 (C) in subparagraph (C)—

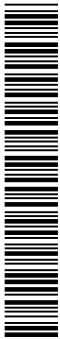
7 (i) in clause (ii), by striking “(i) or
8 (iii)” and inserting “(i), (iii), or (iv)”;

9 (ii) in clause (iii), by striking “and”
10 at the end;

11 (iii) by redesignating clause (iv) as
12 clause (v); and

13 (iv) by inserting after clause (iii) the
14 following:

15 “(iv) the Director of the Office of
16 Thrift Supervision, in the case of a savings
17 association (as defined in section 3(b) of
18 the Federal Deposit Insurance Act (12
19 U.S.C. 1813(b))), the deposits of which are
20 insured by the Federal Deposit Insurance
21 Corporation, a savings and loan holding
22 company, or a subsidiary of a savings and
23 loan holding company when the appro-
24 priate regulatory agency for such clearing
25 agency is not the Commission; and”;



1 (D) in subparagraph (D)—

2 (i) in clause (ii), by striking “and” at
3 the end;

4 (ii) by redesignating clause (iii) as
5 clause (iv); and

6 (iii) by inserting after clause (ii) the
7 following:

8 “(iii) the Director of the Office of
9 Thrift Supervision, in the case of a savings
10 association (as defined in section 3(b) of
11 the Federal Deposit Insurance Act (12
12 U.S.C. 1813(b))) the deposits of which are
13 insured by the Federal Deposit Insurance
14 Corporation; and”;

15 (E) in subparagraph (F)—

16 (i) by redesignating clauses (ii), (iii),
17 and (iv) as clauses (iii), (iv), and (v), re-
18 spectively; and

19 (ii) by inserting after clause (i) the
20 following:

21 “(ii) the Director of the Office of
22 Thrift Supervision, in the case of a savings
23 association (as defined in section 3(b) of
24 the Federal Deposit Insurance Act (12
25 U.S.C. 1813(b))), the deposits of which are



1 insured by the Federal Deposit Insurance
2 Corporation; and”;

3 (F) by moving subparagraph (H) and in-
4 serting such subparagraph immediately after
5 subparagraph (G); and

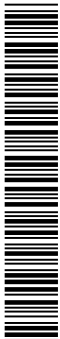
6 (G) by adding at the end of the undesig-
7 nated matter at the end the following: “As used
8 in this paragraph, the term ‘savings and loan
9 holding company’ has the same meaning as in
10 section 10(a) of the Home Owners’ Loan Act
11 (12 U.S.C. 1467a(a)).”.

12 (3) CONFORMING EXEMPTION TO REPORTING
13 REQUIREMENT.—Section 23(b)(1) of the Securities
14 Exchange Act of 1934 (15 U.S.C. 78w(b)(1)) is
15 amended by inserting “other than the Office of
16 Thrift Supervision,” before “shall each”.

17 (b) INVESTMENT ADVISERS ACT OF 1940.—

18 (1) DEFINITION OF BANK.—Section 202(a)(2)
19 of the Investment Advisers Act of 1940 (15 U.S.C.
20 80b–2(a)(2)) is amended—

21 (A) in subparagraph (A), by inserting “or
22 a Federal savings association, as defined in sec-
23 tion 2(5) of the Home Owners’ Loan Act” after
24 “a banking institution organized under the laws
25 of the United States”; and



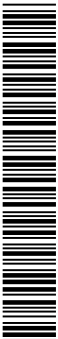
1 (B) in subparagraph (C)—

2 (i) by inserting “, savings association,
3 as defined in section 2(4) of the Home
4 Owners’ Loan Act,” after “banking insti-
5 tution”; and

6 (ii) by inserting “or savings associa-
7 tions” after “having supervision over
8 banks”.

9 (2) CONFORMING AMENDMENTS.—Section
10 210A of the Investment Advisers Act of 1940 (15
11 U.S.C. 80b–10a) is amended in each of subsections
12 (a)(1)(A)(i), (a)(1)(B), (a)(2), and (b), by striking
13 “bank holding company” each place that term ap-
14 pears and inserting “bank holding company or sav-
15 ings and loan holding company”.

16 (c) CONFORMING AMENDMENT TO THE INVESTMENT
17 COMPANY ACT OF 1940.—Section 10(c) of the Investment
18 Company Act of 1940 (15 U.S.C. 80a–10(c)) is amended
19 by inserting after “1956)” the following: “or any one sav-
20 ings and loan holding company, together with its affiliates
21 and subsidiaries (as such terms are defined in section 10
22 of the Home Owners’ Loan Act),”.



1 **SEC. 402. REPEAL OF OVERLAPPING RULES GOVERNING**
2 **PURCHASED MORTGAGE SERVICING RIGHTS.**

3 Section 5(t) of the Home Owners' Loan Act (12
4 U.S.C. 1464(t)) is amended—

5 (1) by striking paragraph (4) and inserting the
6 following:

7 “(4) [Repealed].”; and

8 (2) in paragraph (9)(A), by striking “intangible
9 assets, plus” and all that follows through the period
10 at the end and inserting “intangible assets.”.

11 **SEC. 403. CLARIFYING CITIZENSHIP OF FEDERAL SAVINGS**
12 **ASSOCIATIONS FOR FEDERAL COURT JURIS-**
13 **DICTION.**

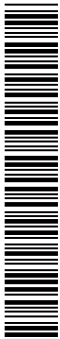
14 Section 5 of the Home Owners' Loan Act (12 U.S.C.
15 1464) is amended by adding at the end the following:

16 “(x) HOME STATE CITIZENSHIP.—In determining
17 whether a Federal court has diversity jurisdiction over a
18 case in which a Federal savings association is a party, the
19 Federal savings association shall be considered to be a cit-
20 izen only of the State in which such savings association
21 has its home office.”.

22 **SEC. 404. REPEAL OF LIMITATION ON LOANS TO ONE BOR-**
23 **ROWER.**

24 Section 5(u)(2)(A) of the Home Owners' Loan Act
25 (12 U.S.C. 1464(u)(2)(A)) is amended—

26 (1) in clause (i)—



1 (A) by striking “for any” and inserting
2 “For any”; and

3 (B) by striking “; or” and inserting a pe-
4 riod; and
5 (2) in clause (ii)—

6 (A) by striking “to develop domestic” and
7 inserting “To develop domestic”;

8 (B) by striking subclause (I); and

9 (C) by redesignating subclauses (II)
10 through (V) as subclauses (I) through (IV), re-
11 spectively.

12 **TITLE V—CREDIT UNION** 13 **PROVISIONS**

14 **SEC. 501. LEASES OF LAND ON FEDERAL FACILITIES FOR** 15 **CREDIT UNIONS.**

16 (a) IN GENERAL.—Section 124 of the Federal Credit
17 Union Act (12 U.S.C. 1770) is amended—

18 (1) by striking “Upon application by any credit
19 union” and inserting “Notwithstanding any other
20 provision of law, upon application by any credit
21 union”;

22 (2) by inserting “on lands reserved for the use
23 of, and under the exclusive or concurrent jurisdiction
24 of, the United States or” after “officer or agency of



1 the United States charged with the allotment of
2 space”;

3 (3) by inserting “lease land or” after “such of-
4 ficer or agency may in his or its discretion”; and

5 (4) by inserting “or the facility built on the
6 lease land” after “credit union to be served by the
7 allotment of space”.

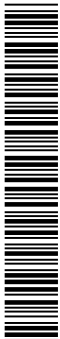
8 (b) CLERICAL AMENDMENT.—The section heading
9 for section 124 of the Federal Credit Union Act (12
10 U.S.C. 1770) is amended by inserting “**OR FEDERAL**
11 **LAND**” after “**BUILDINGS**”.

12 **SEC. 502. INCREASE IN GENERAL 12-YEAR LIMITATION OF**
13 **TERM OF FEDERAL CREDIT UNION LOANS TO**
14 **15 YEARS.**

15 Section 107(5) of the Federal Credit Union Act (12
16 U.S.C. 1757(5)) is amended in the matter preceding sub-
17 paragraph (A), by striking “to make loans, the maturities
18 of which shall not exceed twelve years” and inserting “to
19 make loans, the maturities of which shall not exceed 15
20 years,”.

21 **SEC. 503. CHECK CASHING AND MONEY TRANSFER SERV-**
22 **ICES OFFERED WITHIN THE FIELD OF MEM-**
23 **BERSHIP.**

24 Section 107(12) of the Federal Credit Union Act (12
25 U.S.C. 1757(12)) is amended to read as follows:



1 “(12) in accordance with regulations prescribed
2 by the Board—

3 “(A) to sell, to persons in the field of
4 membership, negotiable checks (including trav-
5 elers checks), money orders, and other similar
6 money transfer instruments (including inter-
7 national and domestic electronic fund trans-
8 fers); and

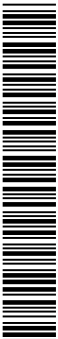
9 “(B) to cash checks and money orders and
10 receive international and domestic electronic
11 fund transfers for persons in the field of mem-
12 bership for a fee;”.

13 **SEC. 504. CLARIFICATION OF DEFINITION OF NET WORTH**
14 **UNDER CERTAIN CIRCUMSTANCES FOR PUR-**
15 **POSES OF PROMPT CORRECTIVE ACTION.**

16 Section 216(o)(2)(A) of the Federal Credit Union Act
17 (12 U.S.C. 1790d(o)(2)(A)) is amended—

18 (1) by inserting “the” before “retained earnings
19 balance”; and

20 (2) by inserting “, together with any amounts
21 that were previously retained earnings of any other
22 credit union with which the credit union has com-
23 bined” before the semicolon at the end.



1 **SEC. 505. AMENDMENTS RELATING TO NONFEDERALLY IN-**
2 **SURED CREDIT UNIONS.**

3 (a) *IN GENERAL.*—Subsection (a) of section 43 of the
4 *Federal Deposit Insurance Act* (12 U.S.C. 1831t(a)) is
5 amended by adding at the end the following new paragraph:

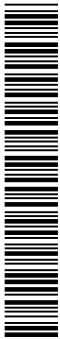
6 “(3) *ENFORCEMENT BY APPROPRIATE STATE SU-*
7 *PERVISOR.*—Any appropriate State supervisor of a
8 private deposit insurer, and any appropriate State
9 supervisor of a depository institution which receives
10 deposits that are insured by a private deposit insurer,
11 may examine and enforce compliance with this sub-
12 section under the applicable regulatory authority of
13 such supervisor.”.

14 (b) *AMENDMENT RELATING TO DISCLOSURES*
15 *REQUIRED, PERIODIC STATEMENTS, AND ACCOUNT*
16 *RECORDS.*—Section 43(b)(1) of the *Federal Deposit*
17 *Insurance Act* (12 U.S.C. 1831t(b)(1)) is amended by
18 striking “or similar instrument evidencing a deposit”
19 and inserting “or share certificate.”.

20 (c) *AMENDMENTS RELATING TO DISCLOSURES RE-*
21 *QUIRED, ADVERTISING, PREMISES.*—Section 43(b)(2) of the
22 *Federal Deposit Insurance Act* (12 U.S.C. 1831t(b)(2)) is
23 amended to read as follows:

24 “(2) *ADVERTISING; PREMISES.*—

25 “(A) *IN GENERAL.*—Include clearly and
26 conspicuously in all advertising, except as pro-



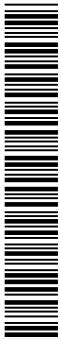
1 *vided in subparagraph (B); and at each station*
2 *or window where deposits are normally received,*
3 *its principal place of business and all its*
4 *branches where it accepts deposits or opens ac-*
5 *counts (excluding automated teller machines or*
6 *point of sale terminals), and on its main Inter-*
7 *net page, a notice that the institution is not fed-*
8 *erally insured.*

9 *“(B) EXCEPTIONS.—The following need not*
10 *include a notice that the institution is not feder-*
11 *ally insured:*

12 *“(i) Any sign, document, or other item*
13 *that contains the name of the depository in-*
14 *stitution, its logo, or its contact informa-*
15 *tion, but only if the sign, document, or item*
16 *does not include any information about the*
17 *institution’s products or services or infor-*
18 *mation otherwise promoting the institution.*

19 *“(ii) Small utilitarian items that do*
20 *not mention deposit products or insurance*
21 *if inclusion of the notice would be imprac-*
22 *tical.”.*

23 *(d) AMENDMENTS RELATING TO ACKNOWLEDG-*
24 *MENT OF DISCLOSURE.—Section 43(b)(3) of the Fed-*



1 *eral Deposit Insurance Act (12 U.S.C. 1831t(b)(3)) is*
2 *amended to read as follows:*

3 “(3) *ACKNOWLEDGMENT OF DISCLOSURE.—*

4 “(A) *NEW DEPOSITORS OBTAINED OTHER*
5 *THAN THROUGH A CONVERSION OR MERGER.—*

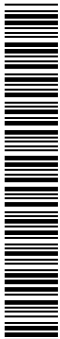
6 *With respect to any depositor who was not a de-*
7 *positor at the depository institution before the ef-*
8 *fective date of the Financial Services Regulatory*
9 *Relief Act of 2006, and who is not a depositor*
10 *as described in subparagraph (B), receive any*
11 *deposit for the account of such depositor only if*
12 *the depositor has signed a written acknowledge-*
13 *ment that—*

14 “(i) *the institution is not federally in-*
15 *sured; and*

16 “(ii) *if the institution fails, the Fed-*
17 *eral Government does not guarantee that the*
18 *depositor will get back the depositor’s*
19 *money.*

20 “(B) *NEW DEPOSITORS OBTAINED*
21 *THROUGH A CONVERSION OR MERGER.—With re-*

22 *spect to a depositor at a federally insured deposi-*
23 *tory institution that converts to, or merges into,*
24 *a depository institution lacking federal insur-*
25 *ance after the effective date of the Financial*



1 *Services Regulatory Relief Act of 2006, receive*
2 *any deposit for the account of such depositor*
3 *only if—*

4 “(i) *the depositor has signed a written*
5 *acknowledgement described in subparagraph*
6 *(A); or*

7 “(ii) *the institution makes an attempt,*
8 *as described in subparagraph (D) and sent*
9 *by mail no later than 45 days after the ef-*
10 *fective date of the conversion or merger, to*
11 *obtain the acknowledgment.*

12 “(C) *CURRENT DEPOSITORS.—Receive any*
13 *deposit after the effective date of the Financial*
14 *Services Regulatory Relief Act of 2006 for the ac-*
15 *count of any depositor who was a depositor on*
16 *that date only if—*

17 “(i) *the depositor has signed a written*
18 *acknowledgement described in subparagraph*
19 *(A); or*

20 “(ii) *the institution has complied with*
21 *the provisions of subparagraph (E) which*
22 *are applicable as of the date of the deposit.*

23 “(D) *ALTERNATIVE PROVISION OF NOTICE*
24 *TO NEW DEPOSITORS OBTAINED THROUGH A*
25 *CONVERSION OR MERGER.—*



1 “(i) *IN GENERAL.*—*Transmit to each*
2 *depositor who has not signed a written ac-*
3 *knowledgement described in subparagraph*
4 *(A)*—

5 “(I) *a conspicuous card con-*
6 *taining the information described in*
7 *clauses (i) and (ii) of subparagraph*
8 *(A), and a line for the signature of the*
9 *depositor; and*

10 “(II) *accompanying materials re-*
11 *questing the depositor to sign the card,*
12 *and return the signed card to the insti-*
13 *tution.*

14 “(E) *ALTERNATIVE PROVISION OF NOTICE*
15 *TO CURRENT DEPOSITORS.*—

16 “(i) *IN GENERAL.*—*Transmit to each*
17 *depositor who was a depositor before the ef-*
18 *fective date of the Financial Services Regu-*
19 *latory Relief Act of 2006, and has not*
20 *signed a written acknowledgement described*
21 *in subparagraph (A)*—

22 “(I) *a conspicuous card con-*
23 *taining the information described in*
24 *clauses (i) and (ii) of subparagraph*



1 (A), and a line for the signature of the
2 depositor; and

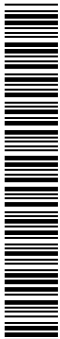
3 “(II) accompanying materials re-
4 questing the depositor to sign the card,
5 and return the signed card to the insti-
6 tution.

7 “(ii) MANNER AND TIMING OF NO-
8 TICE.—

9 “(I) FIRST NOTICE.—Make the
10 transmission described in clause (i) via
11 mail not later than three months after
12 the effective date of the Financial Serv-
13 ices Regulatory Relief Act of 2006.

14 “(II) SECOND NOTICE.—Make a
15 second transmission described in clause
16 (i) via mail not less than 30 days and
17 not more than three months after a
18 transmission to the depositor in ac-
19 cordance with subclause (I), if the in-
20 stitution has not, by the date of such
21 mailing, received from the depositor a
22 card referred to in clause (i) which has
23 been signed by the depositor.”.

24 (e) AMENDMENTS RELATING TO MANNER AND CON-
25 TENT OF DISCLOSURE.—Section 43(c) of the Federal De-



1 *posit Insurance Act (12 U.S.C. 1831t(c)) is amended to*
2 *read as follows:*

3 “(c) *MANNER AND CONTENT OF DISCLOSURE.*—*To en-*
4 *sure that current and prospective customers understand the*
5 *risks involved in foregoing Federal deposit insurance, the*
6 *Federal Trade Commission, by regulation or order, shall*
7 *prescribe the manner and content of disclosure required*
8 *under this section, which shall be presented in such format*
9 *and in such type size and manner as to be simple and easy*
10 *to understand.”.*

11 (f) *REPEAL OF PROVISION PROHIBITING NONDEPOSI-*
12 *TORY INSTITUTIONS FROM ACCEPTING DEPOSITS.*—*Section*
13 *43 of the Federal Deposit Insurance Act (12 U.S.C. 1831t)*
14 *is amended—*

15 (1) *by striking subsection (e); and*

16 (2) *by redesignating subsections (f) and (g) as*
17 *subsections (e) and (f), respectively.*

18 (g) *REPEAL OF FTC AUTHORITY TO ENFORCE INDE-*
19 *PENDENT AUDIT REQUIREMENT; CONCURRENT STATE EN-*
20 *FORCEMENT.*—*Subsection (f) (as so redesignated by sub-*
21 *section (e) of this section) of section 43 of the Federal De-*
22 *posit Insurance Act (12 U.S.C. 1831t) is amended to read*
23 *as follows:*

24 “(f) *ENFORCEMENT.*—



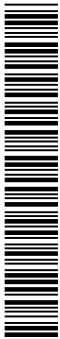
1 “(1) *LIMITED FTC ENFORCEMENT AUTHORITY.*—
2 *Compliance with the requirements of subsections (b),*
3 *(c) and (e), and any regulation prescribed or order*
4 *issued under any such subsection, shall be enforced*
5 *under the Federal Trade Commission Act by the Fed-*
6 *eral Trade Commission.*

7 “(2) *BROAD STATE ENFORCEMENT AUTHOR-*
8 *ITY.*—

9 “(A) *IN GENERAL.*—Subject to subpara-
10 *graph (C), an appropriate State supervisor of a*
11 *depository institution lacking Federal deposit in-*
12 *surance may examine and enforce compliance*
13 *with the requirements of this section, and any*
14 *regulation prescribed under this section.*

15 “(B) *STATE POWERS.*—For purposes of
16 *bringing any action to enforce compliance with*
17 *this section, no provision of this section shall be*
18 *construed as preventing an appropriate State su-*
19 *pervisor of a depository institution lacking Fed-*
20 *eral deposit insurance from exercising any pow-*
21 *ers conferred on such official by the laws of such*
22 *State.*

23 “(C) *LIMITATION ON STATE ACTION WHILE*
24 *FEDERAL ACTION PENDING.*—If the Federal
25 *Trade Commission has instituted an enforcement*



1 *action for a violation of this section, no appro-*
2 *priate State supervisor may, during the pend-*
3 *ency of such action, bring an action under this*
4 *section against any defendant named in the com-*
5 *plaint of the Commission for any violation of*
6 *this section that is alleged in that complaint.”.*

7 **TITLE VI—DEPOSITORY**
8 **INSTITUTION PROVISIONS**

9 **SEC. 601. REPORTING REQUIREMENTS RELATING TO IN-**
10 **SIDER LENDING.**

11 (a) REPORTING REQUIREMENTS REGARDING LOANS
12 TO EXECUTIVE OFFICERS OF MEMBER BANKS.—Section
13 22(g) of the Federal Reserve Act (12 U.S.C. 375a) is
14 amended—

15 (1) by striking paragraphs (6) and (9); and

16 (2) by redesignating paragraphs (7), (8), and
17 (10) as paragraphs (6), (7), and (8), respectively.

18 (b) REPORTING REQUIREMENTS REGARDING LOANS
19 FROM CORRESPONDENT BANKS TO EXECUTIVE OFFI-
20 CERS AND SHAREHOLDERS OF INSURED BANKS.—Section
21 106(b)(2) of the Bank Holding Company Act Amend-
22 ments of 1970 (12 U.S.C. 1972(2)) is amended—

23 (1) by striking subparagraph (G); and

24 (2) by redesignating subparagraphs (H) and (I)
25 as subparagraphs (G) and (H), respectively.



1 **SEC. 602. INVESTMENTS BY INSURED SAVINGS ASSOCIA-**
2 **TIONS IN BANK SERVICE COMPANIES AU-**
3 **THORIZED.**

4 (a) IN GENERAL.—Sections 2 and 3 of the Bank
5 Service Company Act (12 U.S.C. 1862, 1863) are each
6 amended by striking “insured bank” each place that term
7 appears and inserting “insured depository institution”.

8 (b) TECHNICAL AND CONFORMING AMENDMENTS.—

9 (1) BANK SERVICE COMPANY ACT DEFINI-
10 TIONS.—Section 1(b) of the Bank Service Company
11 Act (12 U.S.C. 1861(b)) is amended—

12 (A) in paragraph (4)—

13 (i) by inserting “, except when such
14 term appears in connection with the term
15 ‘insured depository institution’,” after
16 “means”; and

17 (ii) by striking “Federal Home Loan
18 Bank Board” and inserting “Director of
19 the Office of Thrift Supervision”;

20 (B) by striking paragraph (5) and insert-
21 ing the following:

22 “(5) INSURED DEPOSITORY INSTITUTION.—The
23 term ‘insured depository institution’ has the same
24 meaning as in section 3(c) of the Federal Deposit
25 Insurance Act;”;



1 (C) by striking “and” at the end of para-
2 graph (7);

3 (D) by striking the period at the end of
4 paragraph (8) and inserting “; and”;

5 (E) by adding at the end the following:

6 “(9) the terms ‘State depository institution’,
7 ‘Federal depository institution’, ‘State savings asso-
8 ciation’ and ‘Federal savings association’ have the
9 same meanings as in section 3 of the Federal De-
10 posit Insurance Act.”;

11 (F) in paragraph (2), in subparagraphs
12 (A)(ii) and (B)(ii), by striking “insured banks”
13 each place that term appears and inserting “in-
14 sured depository institutions”; and

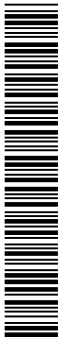
15 (G) in paragraph (8)—

16 (i) by striking “insured bank” and in-
17 serting “insured depository institution”;

18 (ii) by striking “insured banks” each
19 place that term appears and inserting “in-
20 sured depository institutions”; and

21 (iii) by striking “the bank’s” and in-
22 serting “the depository institution’s”.

23 (2) AMOUNT OF INVESTMENT.—Section 2 of
24 the Bank Service Company Act (12 U.S.C. 1862) is
25 amended by inserting “or savings associations, other



1 than the limitation on the amount of investment by
2 a Federal savings association contained in section
3 5(c)(4)(B) of the Home Owners' Loan Act" after
4 "relating to banks".

5 (3) LOCATION OF SERVICES.—Section 4 of the
6 Bank Service Company Act (12 U.S.C. 1864) is
7 amended—

8 (A) in subsection (b), by inserting "as per-
9 missible under subsection (c), (d), or (e) or"
10 after "Except";

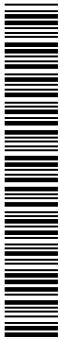
11 (B) in subsection (c), by inserting "or
12 State savings association" after "State bank"
13 each place that term appears;

14 (C) in subsection (d), by inserting "or
15 Federal savings association" after "national
16 bank" each place that term appears;

17 (D) by striking subsection (e) and insert-
18 ing the following:

19 “(e) PERFORMANCE WHERE STATE BANK AND NA-
20 TIONAL BANK ARE SHAREHOLDERS OR MEMBERS.—A
21 bank service company may perform—

22 “(1) only those services that each depository in-
23 stitution shareholder or member is otherwise author-
24 ized to perform under any applicable Federal or
25 State law; and



1 “(2) such services only at locations in a State
2 in which each such shareholder or member is author-
3 ized to perform such services.”; and

4 (E) in subsection (f), by inserting “or sav-
5 ings associations” after “location of banks”.

6 (4) PRIOR APPROVAL OF INVESTMENTS.—Sec-
7 tion 5 of the Bank Service Company Act (12 U.S.C.
8 1865) is amended—

9 (A) in subsection (a)—

10 (i) by striking “insured bank” and in-
11 serting “insured depository institution”;
12 and

13 (ii) by striking “bank’s”; and

14 (iii) by inserting before the period
15 “for the insured depository institution”;

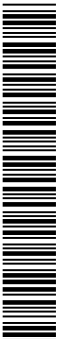
16 (B) in subsection (b)—

17 (i) by striking “insured bank” and in-
18 serting “insured depository institution”;

19 (ii) by inserting “authorized only”
20 after “performs any service”; and

21 (iii) by inserting “authorized only”
22 after “perform any activity”; and

23 (C) in subsection (c)—



1 (i) by striking “the bank or banks”
2 and inserting “any insured depository in-
3 stitution”; and

4 (ii) by striking “capability of the
5 bank” and inserting “capability of the in-
6 sured depository institution”.

7 (5) REGULATION AND EXAMINATION.—Section
8 7 of the Bank Service Company Act (12 U.S.C.
9 1867) is amended—

10 (A) in subsection (b), by striking “insured
11 bank” and inserting “insured depository insti-
12 tution”; and

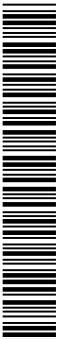
13 (B) in subsection (c)—

14 (i) by striking “a bank” each place
15 that term appears and inserting “a deposi-
16 tory institution”; and

17 (ii) by striking “the bank” each place
18 that term appears and inserting “the de-
19 pository institution”.

20 **SEC. 603. AUTHORIZATION FOR MEMBER BANK TO USE**
21 **PASS-THROUGH RESERVE ACCOUNTS.**

22 Section 19(c)(1)(B) of the Federal Reserve Act (12
23 U.S.C. 461(c)(1)(B)) is amended by striking “which is not
24 a member bank”.



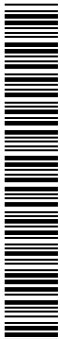
1 **SEC. 604. STREAMLINING REPORTS OF CONDITION.**

2 Section 7(a) of the Federal Deposit Insurance Act
3 (12 U.S.C. 1817(a)) is amended by adding at the end the
4 following:

5 “(11) STREAMLINING REPORTS OF CONDI-
6 TION.—

7 “(A) REVIEW OF INFORMATION AND
8 SCHEDULES.—Before the end of the 1-year pe-
9 riod beginning on the date of enactment of the
10 Financial Services Regulatory Relief Act of
11 2006 and before the end of each 5-year period
12 thereafter, each Federal banking agency shall,
13 in conjunction with the other relevant Federal
14 banking agencies, review the information and
15 schedules that are required to be filed by an in-
16 sured depository institution in a report of con-
17 dition required under paragraph (3).

18 “(B) REDUCTION OR ELIMINATION OF IN-
19 FORMATION FOUND TO BE UNNECESSARY.—
20 After completing the review required by sub-
21 paragraph (A), a Federal banking agency, in
22 conjunction with the other relevant Federal
23 banking agencies, shall reduce or eliminate any
24 requirement to file information or schedules
25 under paragraph (3) (other than information or
26 schedules that are otherwise required by law) if



1 the agency determines that the continued collec-
2 tion of such information or schedules is no
3 longer necessary or appropriate.”.

4 **SEC. 605. EXPANSION OF ELIGIBILITY FOR 18-MONTH EX-**
5 **AMINATION SCHEDULE FOR COMMUNITY**
6 **BANKS.**

7 Section 10(d)(4)(A) of the Federal Deposit Insurance
8 Act (12 U.S.C. 1820(d)(4)(A)) is amended by striking
9 “\$250,000,000” and inserting “\$500,000,000”.

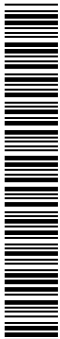
10 **SEC. 606. STREAMLINING DEPOSITORY INSTITUTION MERG-**
11 **ER APPLICATION REQUIREMENTS.**

12 (a) IN GENERAL.—Section 18(c)(4) of the Federal
13 Deposit Insurance Act (12 U.S.C. 1828(c)(4)) is amended
14 to read as follows:

15 “(4) REPORTS ON COMPETITIVE FACTORS.—

16 “(A) REQUEST FOR REPORT.—In the in-
17 terests of uniform standards and subject to
18 subparagraph (B), before acting on any applica-
19 tion for approval of a merger transaction, the
20 responsible agency shall—

21 “(i) request a report on the competi-
22 tive factors involved from the Attorney
23 General of the United States; and



1 “(ii) provide a copy of the request to
2 the Corporation (when the Corporation is
3 not the responsible agency).

4 “(B) FURNISHING OF REPORT.—The re-
5 port requested under subparagraph (A) shall be
6 furnished by the Attorney General to the re-
7 sponsible agency—

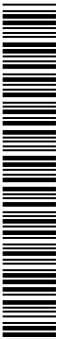
8 “(i) not later than 30 calendar days
9 after the date on which the Attorney Gen-
10 eral received the request; or

11 “(ii) not later than 10 calendar days
12 after such date, if the requesting agency
13 advises the Attorney General that an emer-
14 gency exists requiring expeditious action.

15 “(C) EXCEPTIONS.—A responsible agency
16 may not be required to request a report under
17 subparagraph (A) if—

18 “(i) the responsible agency finds that
19 it must act immediately in order to prevent
20 the probable failure of 1 of the insured de-
21 pository institutions involved in the merger
22 transaction; or

23 “(ii) the merger transaction involves
24 solely an insured depository institution and



1 1 or more of the affiliates of such deposi-
2 tory institution.”.

3 (b) TECHNICAL AND CONFORMING AMENDMENTS.—

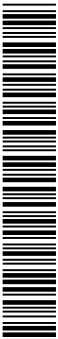
4 Section 18(c)(6) of the Federal Deposit Insurance Act (12
5 U.S.C. 1828(c)(6)) is amended—

6 (1) in the second sentence, by striking “banks
7 or savings associations involved and reports on the
8 competitive factors have” and inserting “insured de-
9 pository institutions involved, or if the proposed
10 merger transaction is solely between an insured de-
11 pository institution and 1 or more of its affiliates,
12 and the report on the competitive factors has”; and

13 (2) by striking the penultimate sentence and in-
14 serting the following: “If the agency has advised the
15 Attorney General under paragraph (4)(B)(ii) of the
16 existence of an emergency requiring expeditious ac-
17 tion and has requested a report on the competitive
18 factors within 10 days, the transaction may not be
19 consummated before the fifth calendar day after the
20 date of approval by the agency.”.

21 **SEC. 607. NONWAIVER OF PRIVILEGES.**

22 (a) INSURED DEPOSITORY INSTITUTIONS.—Section
23 18 of the Federal Deposit Insurance Act (12 U.S.C. 1828)
24 is amended by adding at the end the following:



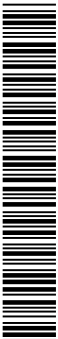
1 “(x) PRIVILEGES NOT AFFECTED BY DISCLOSURE
2 TO BANKING AGENCY OR SUPERVISOR.—

3 “(1) IN GENERAL.—The submission by any per-
4 son of any information to any Federal banking agen-
5 cy, State bank supervisor, or foreign banking au-
6 thority for any purpose in the course of any super-
7 visory or regulatory process of such agency, super-
8 visor, or authority shall not be construed as waiving,
9 destroying, or otherwise affecting any privilege such
10 person may claim with respect to such information
11 under Federal or State law as to any person or enti-
12 ty other than such agency, supervisor, or authority.

13 “(2) RULE OF CONSTRUCTION.—No provision
14 of paragraph (1) may be construed as implying or
15 establishing that—

16 “(A) any person waives any privilege appli-
17 cable to information that is submitted or trans-
18 ferred under any circumstance to which para-
19 graph (1) does not apply; or

20 “(B) any person would waive any privilege
21 applicable to any information by submitting the
22 information to any Federal banking agency,
23 State bank supervisor, or foreign banking au-
24 thority, but for this subsection.”



1 (b) INSURED CREDIT UNIONS.—Section 205 of the
2 Federal Credit Union Act (12 U.S.C.1785) is amended by
3 adding at the end the following:

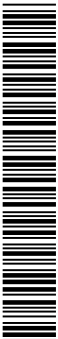
4 “(j) PRIVILEGES NOT AFFECTED BY DISCLOSURE TO
5 BANKING AGENCY OR SUPERVISOR.—

6 “(1) IN GENERAL.—The submission by any per-
7 son of any information to the Administration, any
8 State credit union supervisor, or foreign banking au-
9 thority for any purpose in the course of any super-
10 visory or regulatory process of such Board, super-
11 visor, or authority shall not be construed as waiving,
12 destroying, or otherwise affecting any privilege such
13 person may claim with respect to such information
14 under Federal or State law as to any person or enti-
15 ty other than such Board, supervisor, or authority.

16 “(2) RULE OF CONSTRUCTION.—No provision
17 of paragraph (1) may be construed as implying or
18 establishing that—

19 “(A) any person waives any privilege appli-
20 cable to information that is submitted or trans-
21 ferred under any circumstance to which para-
22 graph (1) does not apply; or

23 “(B) any person would waive any privilege
24 applicable to any information by submitting the
25 information to the Administration, any State



1 credit union supervisor, or foreign banking au-
2 thority, but for this subsection.”.

3 **SEC. 608. CLARIFICATION OF APPLICATION REQUIRE-**
4 **MENTS FOR OPTIONAL CONVERSION FOR**
5 **FEDERAL SAVINGS ASSOCIATIONS.**

6 (a) HOME OWNERS’ LOAN ACT.—Section 5(i)(5) of
7 the Home Owners’ Loan Act (12 U.S.C. 1464(i)(5)) is
8 amended to read as follows:

9 “(5) CONVERSION TO NATIONAL OR STATE
10 BANK.—

11 “(A) IN GENERAL.—Any Federal savings
12 association chartered and in operation before
13 the date of enactment of the Gramm-Leach-Bliley Act, with branches in operation before such
14 date of enactment in 1 or more States, may
15 convert, at its option, with the approval of the
16 Comptroller of the Currency for each national
17 bank, and with the approval of the appropriate
18 State bank supervisor and the appropriate Federal
19 banking agency for each State bank, into
20 1 or more national or State banks, each of
21 which may encompass 1 or more of the
22 branches of the Federal savings association in
23 operation before such date of enactment in 1 or
24 more States subject to subparagraph (B).
25



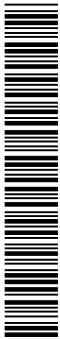
1 “(B) CONDITIONS OF CONVERSION.—The
2 authority in subparagraph (A) shall apply only
3 if each resulting national or State bank—

4 “(i) will meet all financial, manage-
5 ment, and capital requirements applicable
6 to the resulting national or State bank;
7 and

8 “(ii) if more than 1 national or State
9 bank results from a conversion under this
10 subparagraph, has received approval from
11 the Federal Deposit Insurance Corporation
12 under section 5(a) of the Federal Deposit
13 Insurance Act.

14 “(C) NO MERGER APPLICATION UNDER
15 FDIA REQUIRED.—No application under section
16 18(c) of the Federal Deposit Insurance Act
17 shall be required for a conversion under this
18 paragraph.

19 “(D) DEFINITIONS.—For purposes of this
20 paragraph, the terms ‘State bank’ and ‘State
21 bank supervisor’ have the same meanings as in
22 section 3 of the Federal Deposit Insurance
23 Act.”.



1 (b) FEDERAL DEPOSIT INSURANCE ACT.—Section
2 4(c) of the Federal Deposit Insurance Act (12 U.S.C.
3 1814(c)) is amended—

4 (1) by inserting “of this Act and section 5(i)(5)
5 of the Home Owners’ Loan Act” after “Subject to
6 section 5(d)”;

7 (2) in paragraph (2), after “insured State,” by
8 inserting “or Federal”.

9 **SEC. 609. EXEMPTION FROM DISCLOSURE OF PRIVACY POL-**
10 **ICY FOR ACCOUNTANTS.**

11 (a) IN GENERAL.—Section 503 of the Gramm-Leach-
12 Bliley Act (15 U.S.C. 6803) is amended by adding at the
13 end the following:

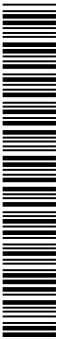
14 “(d) EXEMPTION FOR CERTIFIED PUBLIC ACCOUNT-
15 ANTS.—

16 “(1) IN GENERAL.—The disclosure require-
17 ments of subsection (a) do not apply to any person,
18 to the extent that the person is—

19 “(A) a certified public accountant;

20 “(B) certified or licensed for such purpose
21 by a State; and

22 “(C) subject to any provision of law, rule,
23 or regulation issued by a legislative or regu-
24 latory body of the State, including rules of pro-
25 fessional conduct or ethics, that prohibits dis-



1 closure of nonpublic personal information with-
2 out the knowing and expressed consent of the
3 consumer.

4 “(2) LIMITATION.—Nothing in this subsection
5 shall be construed to exempt or otherwise exclude
6 any financial institution that is affiliated or becomes
7 affiliated with a certified public accountant described
8 in paragraph (1) from any provision of this section.

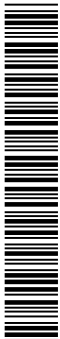
9 “(3) DEFINITIONS.—For purposes of this sub-
10 section, the term ‘State’ means any State or terri-
11 tory of the United States, the District of Columbia,
12 Puerto Rico, Guam, American Samoa, the Trust
13 Territory of the Pacific Islands, the Virgin Islands,
14 or the Northern Mariana Islands.”.

15 (b) CLERICAL AMENDMENTS.—Section 503 of the
16 Gramm-Leach-Bliley Act (15 U.S.C. 6803) is amended—

17 (1) by redesignating subsection (b) as sub-
18 section (c); and

19 (2) in subsection (a), by striking “Such disclo-
20 sures” and inserting the following:

21 “(b) REGULATIONS.—Disclosures required by sub-
22 section (a)”.



1 **SEC. 610. INFLATION ADJUSTMENT FOR THE SMALL DE-**
2 **POSITORY INSTITUTION EXCEPTION UNDER**
3 **THE DEPOSITORY INSTITUTION MANAGE-**
4 **MENT INTERLOCKS ACT.**

5 Section 203(1) of the Depository Institution Manage-
6 ment Interlocks Act (12 U.S.C. 3202(1)) is amended by
7 striking “\$20,000,000” and inserting “\$50,000,000”.

8 **SEC. 611. MODIFICATION TO CROSS MARKETING RESTRIC-**
9 **TIONS.**

10 Section 4(n)(5)(B) of the Bank Holding Company
11 Act of 1956 (12 U.S.C. 1843(n)(5)(B)) is amended by
12 striking “subsection (k)(4)(I)” and inserting “subpara-
13 graph (H) or (I) of subsection (k)(4)”.

14 **TITLE VII—BANKING AGENCY**
15 **PROVISIONS**

16 **SEC. 701. STATUTE OF LIMITATIONS FOR JUDICIAL REVIEW**
17 **OF APPOINTMENT OF A RECEIVER FOR DE-**
18 **POSITORY INSTITUTIONS.**

19 (a) NATIONAL BANKS.—Section 2 of the National
20 Bank Receivership Act (12 U.S.C. 191) is amended—

21 (1) by amending the section heading to read as
22 follows:

23 **“SEC. 2. APPOINTMENT OF RECEIVER FOR A NATIONAL**
24 **BANK.**

25 **“(a) IN GENERAL.—**The Comptroller of the Cur-
26 **rency”;** and



1 (2) by adding at the end the following:

2 “(b) JUDICIAL REVIEW.—If the Comptroller of the
3 Currency appoints a receiver under subsection (a), the na-
4 tional bank may, within 30 days thereafter, bring an ac-
5 tion in the United States district court for the judicial dis-
6 trict in which the home office of such bank is located, or
7 in the United States District Court for the District of Co-
8 lumbia, for an order requiring the Comptroller of the Cur-
9 rency to remove the receiver, and the court shall, upon
10 the merits, dismiss such action or direct the Comptroller
11 of the Currency to remove the receiver.”.

12 (b) INSURED DEPOSITORY INSTITUTIONS.—Section
13 11(c)(7) of the Federal Deposit Insurance Act (12 U.S.C.
14 1821(c)(7)) is amended to read as follows:

15 “(7) JUDICIAL REVIEW.—If the Corporation is
16 appointed (including the appointment of the Cor-
17 poration as receiver by the Board of Directors) as
18 conservator or receiver of a depository institution
19 under paragraph (4), (9), or (10), the depository in-
20 stitution may, not later than 30 days thereafter,
21 bring an action in the United States district court
22 for the judicial district in which the home office of
23 such depository institution is located, or in the
24 United States District Court for the District of Co-
25 lumbia, for an order requiring the Corporation to be



1 removed as the conservator or receiver (regardless of
2 how such appointment was made), and the court
3 shall, upon the merits, dismiss such action or direct
4 the Corporation to be removed as the conservator or
5 receiver.”.

6 (c) EFFECTIVE DATE.—The amendments made by
7 subsections (a) and (b) shall apply with respect to con-
8 servators or receivers appointed on or after the date of
9 enactment of this Act.

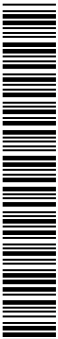
10 **SEC. 702. ENHANCING THE SAFETY AND SOUNDNESS OF IN-**
11 **SURED DEPOSITORY INSTITUTIONS.**

12 (a) CLARIFICATION RELATING TO THE ENFORCE-
13 ABILITY OF AGREEMENTS AND CONDITIONS.—The Fed-
14 eral Deposit Insurance Act (12 U.S.C. 1811 et seq.) is
15 amended by adding at the end the following:

16 **“SEC. 49 50. ENFORCEMENT OF AGREEMENTS.**

17 “(a) IN GENERAL.—Notwithstanding clause (i) or
18 (ii) of section 8(b)(6)(A) or section 38(e)(2)(E)(i), the ap-
19 propriate Federal banking agency for a depository institu-
20 tion may enforce, under section 8, the terms of—

21 “(1) any condition imposed in writing by the
22 agency on the depository institution or an institu-
23 tion-affiliated party in connection with any action on
24 any application, notice, or other request concerning
25 the depository institution; or



1 “(2) any written agreement entered into be-
2 tween the agency and the depository institution or
3 an institution-affiliated party.

4 “(b) RECEIVERSHIPS AND CONSERVATORSHIPS.—
5 After the appointment of the Corporation as the receiver
6 or conservator for a depository institution, the Corpora-
7 tion may enforce any condition or agreement described in
8 paragraph (1) or (2) of subsection (a) imposed on or en-
9 tered into with such institution or institution-affiliated
10 party through an action brought in an appropriate United
11 States district court.”.

12 (b) PROTECTION OF CAPITAL OF INSURED DEPOSI-
13 TORY INSTITUTIONS.—Section 18(u)(1) of the Federal
14 Deposit Insurance Act (12 U.S.C. 1828(u)(1)) is
15 amended—

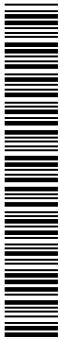
16 (1) by striking subparagraph (B);

17 (2) by redesignating subparagraph (C) as sub-
18 paragraph (B); and

19 (3) in subparagraph (A), by adding “and” at
20 the end.

21 (c) CONFORMING AMENDMENTS.—Section 8(b) of
22 the Federal Deposit Insurance Act (12 U.S.C. 1818(b))
23 is amended—

24 (1) in paragraph (3), by striking “This sub-
25 section and subsections (c) through (s) and sub-



1 section (u) of this section” and inserting “This sub-
2 section, subsections (c) through (s) and subsection
3 (u) of this section, and section ~~49~~ 50 of this Act”;
4 and

5 (2) in paragraph (4), by striking “This sub-
6 section and subsections (c) through (s) and sub-
7 section (u) of this section” and inserting “This sub-
8 section, subsections (c) through (s) and subsection
9 (u) of this section, and section ~~49~~ 50 of this Act”.

10 **SEC. 703. CROSS GUARANTEE AUTHORITY.**

11 Section 5(e)(9)(A) of the Federal Deposit Insurance
12 Act (12 U.S.C. 1815(e)(9)(A)) is amended to read as fol-
13 lows:

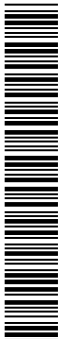
14 “(A) such institutions are controlled by the
15 same company; or”.

16 **SEC. 704. GOLDEN PARACHUTE AUTHORITY AND NONBANK**
17 **HOLDING COMPANIES.**

18 Section 18(k) of the Federal Deposit Insurance Act
19 (12 U.S.C. 1828(k)) is amended—

20 (1) in paragraph (2)(A), by striking “or deposi-
21 tory institution holding company” and inserting “or
22 covered company”;

23 (2) in paragraph (2), by striking subparagraph
24 (B), and inserting the following:



1 “(B) Whether there is a reasonable basis
2 to believe that the institution-affiliated party is
3 substantially responsible for—

4 “(i) the insolvency of the depository
5 institution or covered company;

6 “(ii) the appointment of a conservator
7 or receiver for the depository institution; or

8 “(iii) the troubled condition of the de-
9 pository institution (as defined in the regu-
10 lations prescribed pursuant to section
11 32(f)).”;

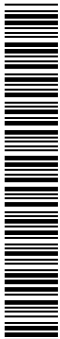
12 (3) in paragraph (2)(F), by striking “depository
13 institution holding company” and inserting “covered
14 company,”;

15 (4) in paragraph (3) in the matter preceding
16 subparagraph (A), by striking “depository institu-
17 tion holding company” and inserting “covered com-
18 pany”;

19 (5) in paragraph (3)(A), by striking “holding
20 company” and inserting “covered company”;

21 (6) in paragraph (4)(A)—

22 (A) by striking “depository institution
23 holding company” each place that term appears
24 and inserting “covered company”; and



1 (B) by striking “holding company” each
2 place that term appears (other than in connec-
3 tion with the term referred to in subparagraph
4 (A)) and inserting “covered company”;

5 (7) in paragraph (5)(A), by striking “depository
6 institution holding company” and inserting “covered
7 company”;

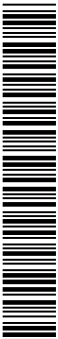
8 (8) in paragraph (5), by adding at the end the
9 following:

10 “(D) COVERED COMPANY.—The term ‘cov-
11 ered company’ means any depository institution
12 holding company (including any company re-
13 quired to file a report under section 4(f)(6) of
14 the Bank Holding Company Act of 1956), or
15 any other company that controls an insured de-
16 pository institution.”; and

17 (9) in paragraph (6)—

18 (A) by striking “depository institution
19 holding company” and inserting “covered com-
20 pany,”; and

21 (B) by striking “or holding company” and
22 inserting “or covered company”.



1 **SEC. 705. AMENDMENTS RELATING TO CHANGE IN BANK**
2 **CONTROL.**

3 Section 7(j) of the Federal Deposit Insurance Act (12
4 U.S.C. 1817(j)) is amended—

5 (1) in paragraph (1)(D)—

6 (A) by striking “is needed to investigate”
7 and inserting “is needed—

8 “(i) to investigate”;

9 (B) by striking “United States Code.” and
10 inserting “United States Code; or”; and

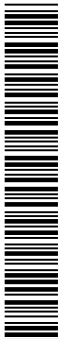
11 (C) by adding at the end the following:

12 “(ii) to analyze the safety and sound-
13 ness of any plans or proposals described in
14 paragraph (6)(E) or the future prospects
15 of the institution.”; and

16 (2) in paragraph (7)(C), by striking “the finan-
17 cial condition of any acquiring person” and inserting
18 “either the financial condition of any acquiring per-
19 son or the future prospects of the institution”.

20 **SEC. 706. AMENDMENT TO PROVIDE THE FEDERAL RE-**
21 **SERVE BOARD WITH DISCRETION CON-**
22 **CERNING THE IMPUTATION OF CONTROL OF**
23 **SHARES OF A COMPANY BY TRUSTEES.**

24 Section 2(g)(2) of the Bank Holding Company Act
25 of 1956 (12 U.S.C. 1841(g)(2)) is amended by inserting
26 before the period at the end “, unless the Board deter-

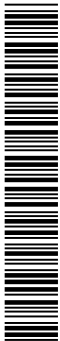


1 mines that such treatment is not appropriate in light of
2 the facts and circumstances of the case and the purposes
3 of this Act”.

4 **SEC. 707. INTERAGENCY DATA SHARING.**

5 (a) FEDERAL BANKING AGENCIES.—Section 7(a)(2)
6 of the Federal Deposit Insurance Act (12 U.S.C.
7 1817(a)(2)) is amended by adding at the end the fol-
8 lowing:

9 “(C) DATA SHARING WITH OTHER AGEN-
10 CIES AND PERSONS.—In addition to reports of
11 examination, reports of condition, and other re-
12 ports required to be regularly provided to the
13 Corporation (with respect to all insured deposi-
14 tory institutions, including a depository institu-
15 tion for which the Corporation has been ap-
16 pointed conservator or receiver) or an appro-
17 priate State bank supervisor (with respect to a
18 State depository institution) under subpara-
19 graph (A) or (B), a Federal banking agency
20 may, in the discretion of the agency, furnish
21 any report of examination or other confidential
22 supervisory information concerning any deposi-
23 tory institution or other entity examined by
24 such agency under authority of any Federal
25 law, to—



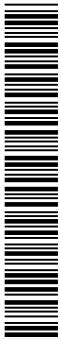
1 “(i) any other Federal or State agen-
2 cy or authority with supervisory or regu-
3 latory authority over the depository institu-
4 tion or other entity;

5 “(ii) any officer, director, or receiver
6 of such depository institution or entity;
7 and

8 “(iii) any other person that the Fed-
9 eral banking agency determines to be ap-
10 propriate.”.

11 (b) NATIONAL CREDIT UNION ADMINISTRATION.—
12 Section 202(a) of the Federal Credit Union Act (12
13 U.S.C. 1782(a)) is amended by adding at the end the fol-
14 lowing:

15 “(8) DATA SHARING WITH OTHER AGENCIES
16 AND PERSONS.—In addition to reports of examina-
17 tion, reports of condition, and other reports required
18 to be regularly provided to the Board (with respect
19 to all insured credit unions, including a credit union
20 for which the Corporation has been appointed con-
21 servator or liquidating agent) or an appropriate
22 State commission, board, or authority having super-
23 vision of a State-chartered credit union, the Board
24 may, in the discretion of the Board, furnish any re-
25 port of examination or other confidential supervisory



1 information concerning any credit union or other en-
2 tity examined by the Board under authority of any
3 Federal law, to—

4 “(A) any other Federal or State agency or
5 authority with supervisory or regulatory author-
6 ity over the credit union or other entity;

7 “(B) any officer, director, or receiver of
8 such credit union or entity; and

9 “(C) any other person that the Board de-
10 termines to be appropriate.”.

11 **SEC. 708. CLARIFICATION OF EXTENT OF SUSPENSION, RE-**
12 **MOVAL, AND PROHIBITION AUTHORITY OF**
13 **FEDERAL BANKING AGENCIES IN CASES OF**
14 **CERTAIN CRIMES BY INSTITUTION-AFFILI-**
15 **ATED PARTIES.**

16 (a) INSURED DEPOSITORY INSTITUTIONS.—

17 (1) IN GENERAL.—Section 8(g)(1) of the Fed-
18 eral Deposit Insurance Act (12 U.S.C. 1818(g)(1))
19 is amended—

20 (A) in subparagraph (A)—

21 (i) by striking “is charged in any in-
22 formation, indictment, or complaint, with
23 the commission of or participation in” and
24 inserting “is the subject of any informa-



tion, indictment, or complaint, involving
the commission of or participation in”;

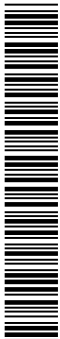
(ii) by striking “may pose a threat to
the interests of the depository institution’s
depositors or may threaten to impair pub-
lic confidence in the depository institu-
tion,” and insert “posed, poses, or may
pose a threat to the interests of the deposi-
tors of, or threatened, threatens, or may
threaten to impair public confidence in,
any relevant depository institution (as de-
fined in subparagraph (E)),”; and

(iii) by striking “affairs of the deposi-
tory institution” and inserting “affairs of
any depository institution”;

(B) in subparagraph (B)(i), by striking
“the depository institution” and inserting “any
depository institution that the subject of the no-
tice is affiliated with at the time the notice is
issued”;

(C) in subparagraph (C)(i)—

(i) by striking “may pose a threat to
the interests of the depository institution’s
depositors or may threaten to impair pub-
lic confidence in the depository institu-



1 tion,” and insert “posed, poses, or may
2 pose a threat to the interests of the deposi-
3 tors of, or threatened, threatens, or may
4 threaten to impair public confidence in,
5 any relevant depository institution (as de-
6 fined in subparagraph (E)),”; and

7 (ii) by striking “affairs of the deposi-
8 tory institution” and inserting “affairs of
9 any depository institution”;

10 (D) in subparagraph (C)(ii), by striking
11 “affairs of the depository institution” and in-
12 serting “affairs of any depository institution”;

13 (E) in subparagraph (D)(i), by striking
14 “the depository institution” and inserting “any
15 depository institution that the subject of the
16 order is affiliated with at the time the order is
17 issued”; and

18 (F) by adding at the end the following:

19 “(E) RELEVANT DEPOSITORY INSTITU-
20 TION.—For purposes of this subsection, the
21 term ‘relevant depository institution’ means any
22 depository institution of which the party is or
23 was an institution-affiliated party at the time at
24 which—



1 “(i) the information, indictment, or
2 complaint described in subparagraph (A)
3 was issued; or

4 “(ii) the notice is issued under sub-
5 paragraph (A) or the order is issued under
6 subparagraph (C)(i).”.

7 (2) CLERICAL AMENDMENT.—The subsection
8 heading for section 8(g) of the Federal Deposit In-
9 surance Act (12 U.S.C. 1818(g)) is amended to read
10 as follows:

11 “(g) SUSPENSION, REMOVAL, AND PROHIBITION
12 FROM PARTICIPATION ORDERS IN THE CASE OF CERTAIN
13 CRIMINAL OFFENSES.—”.

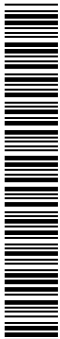
14 (b) INSURED CREDIT UNIONS.—

15 (1) IN GENERAL.—Section 206(i)(1) of the
16 Federal Credit Union Act (12 U.S.C. 1786(i)(1)) is
17 amended—

18 (A) in subparagraph (A), by striking “the
19 credit union” each place that term appears and
20 inserting “any credit union”;

21 (B) in subparagraph (B)(i), by inserting
22 “of which the subject of the order is, or most
23 recently was, an institution-affiliated party” be-
24 fore the period at the end;

25 (C) in subparagraph (C)—



1 (i) by striking “the credit union” each
2 place such term appears and inserting
3 “any credit union”; and

4 (ii) by striking “the credit union’s”
5 and inserting “any credit union’s”;

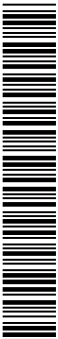
6 (D) in subparagraph (D)(i), by striking
7 “upon such credit union” and inserting “upon
8 the credit union of which the subject of the
9 order is, or most recently was, an institution-af-
10 filiated party”; and

11 (E) by adding at the end the following:

12 “(E) CONTINUATION OF AUTHORITY.—The
13 Board may issue an order under this paragraph
14 with respect to an individual who is an institu-
15 tion-affiliated party at a credit union at the
16 time of an offense described in subparagraph
17 (A) without regard to—

18 “(i) whether such individual is an in-
19 stitution-affiliated party at any credit
20 union at the time the order is considered
21 or issued by the Board; or

22 “(ii) whether the credit union at
23 which the individual was an institution-af-
24 filiated party at the time of the offense re-



1 mains in existence at the time the order is
2 considered or issued by the Board.”.

3 (2) CLERICAL AMENDMENT.—Section 206(i) of
4 the Federal Credit Union Act (12 U.S.C. 1786(i)) is
5 amended by striking “(i)” at the beginning and in-
6 serting the following:

7 “(i) SUSPENSION, REMOVAL, AND PROHIBITION
8 FROM PARTICIPATION ORDERS IN THE CASE OF CERTAIN
9 CRIMINAL OFFENSES.—”.

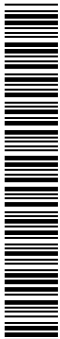
10 **SEC. 709. PROTECTION OF CONFIDENTIAL INFORMATION**
11 **RECEIVED BY FEDERAL BANKING REGU-**
12 **LATORS FROM FOREIGN BANKING SUPER-**
13 **VISORS.**

14 Section 15 of the International Banking Act of 1978
15 (12 U.S.C. 3109) is amended by adding at the end the
16 following:

17 “(c) CONFIDENTIAL INFORMATION RECEIVED FROM
18 FOREIGN SUPERVISORS.—

19 “(1) IN GENERAL.—Except as provided in para-
20 graph (3), a Federal banking agency may not be
21 compelled to disclose information received from
22 a foreign regulatory or supervisory authority if—

23 “(A) the Federal banking agency deter-
24 mines that the foreign regulatory or supervisory
25 authority has, in good faith, determined and



1 represented in writing to such Federal banking
2 agency that public disclosure of the information
3 would violate the laws applicable to that foreign
4 regulatory or supervisory authority; and

5 “(B) the relevant Federal banking agency
6 obtained such information pursuant to—

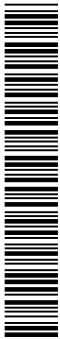
7 “(i) such procedures as the Federal
8 banking agency may establish for use in
9 connection with the administration and en-
10 forcement of Federal banking laws; or

11 “(ii) a memorandum of understanding
12 or other similar arrangement between the
13 Federal banking agency and the foreign
14 regulatory or supervisory authority.

15 “(2) TREATMENT UNDER TITLE 5, UNITED
16 STATES CODE.—For purposes of section 552 of title
17 5, United States Code, this subsection shall be treat-
18 ed as a statute described in subsection (b)(3)(B) of
19 such section.

20 “(3) SAVINGS PROVISION.—No provision of this
21 section shall be construed as—

22 “(A) authorizing any Federal banking
23 agency to withhold any information from any
24 duly authorized committee of the House of Rep-
25 resentatives or the Senate; or



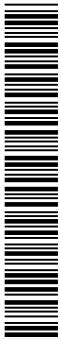
1 “(B) preventing any Federal banking
2 agency from complying with an order of a court
3 of the United States in an action commenced by
4 the United States or such agency.

5 “(4) FEDERAL BANKING AGENCY DEFINED.—
6 For purposes of this subsection, the term ‘Federal
7 banking agency’ means the Board, the Comptroller
8 of the Currency, the Federal Deposit Insurance Cor-
9 poration, and the Director of the Office of Thrift
10 Supervision.”.

11 **SEC. 710. PROHIBITION ON PARTICIPATION BY CONVICTED**
12 **INDIVIDUALS.**

13 ~~(a) EXTENSION OF AUTOMATIC PROHIBITION.—Sec-~~
14 ~~tion 19 of the Federal Deposit Insurance Act (12 U.S.C.~~
15 ~~1829) is amended by adding at the end the following:~~

16 ~~“(d) BANK HOLDING COMPANIES.—Subsections (a)~~
17 ~~and (b) shall apply to any company (other than a foreign~~
18 ~~bank) that is a bank holding company and any organiza-~~
19 ~~tion organized and operated under section 25A of the Fed-~~
20 ~~eral Reserve Act or operating under section 25 of the Fed-~~
21 ~~eral Reserve Act, as if such bank holding company or or-~~
22 ~~ganization were an insured depository institution, except~~
23 ~~that such subsections shall be applied for purposes of this~~
24 ~~subsection by substituting ‘Board of Governors of the Fed-~~



1 eral Reserve System' for 'Corporation' each place that
2 term appears in such subsections.

3 ~~“(e) SAVINGS AND LOAN HOLDING COMPANIES.—~~
4 Subsections (a) and (b) shall apply to any savings and
5 loan holding company and any subsidiary (other than a
6 savings association) of a savings and loan holding com-
7 pany as if such savings and loan holding company or sub-
8 sidiary were an insured depository institution, except that
9 subsections shall be applied for purposes of this subsection
10 by substituting 'Director of the Office of Thrift Super-
11 vision' for 'Corporation' each place that term appears in
12 such subsections.”.

13 ~~(b) ENHANCED DISCRETION TO REMOVE CON-~~
14 ~~VICTED INDIVIDUALS.—~~Section 8(e)(2)(A) of the Federal
15 Deposit Insurance Act (12 U.S.C. 1818(e)(2)(A)) is
16 amended—

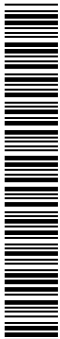
17 (1) by striking “or” at the end of clause (ii);

18 (2) by striking the comma at the end of clause

19 (iii) and inserting “; or”; and

20 (3) by adding at the end the following:

21 “(iv) an institution-affiliated party of
22 a subsidiary (other than a bank) of a bank
23 holding company has been convicted of any
24 criminal offense involving dishonesty or a
25 breach of trust, or a criminal violation of



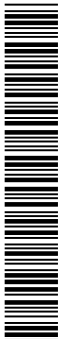
1 section 1956, 1957, or 1960 of title 18
2 United States Code, or has agreed to enter
3 into a pretrial diversion or similar program
4 in connection with a prosecution for such
5 an offense.”

6 **SEC. 710. PROHIBITION ON PARTICIPATION BY CONVICTED**
7 **INDIVIDUALS.**

8 (a) *EXTENSION OF AUTOMATIC PROHIBITION.*—Sec-
9 tion 19 of the Federal Deposit Insurance Act (12 U.S.C.
10 1829) is amended by adding at the end the following new
11 subsections:

12 “(d) *BANK HOLDING COMPANIES.*—

13 “(1) *IN GENERAL.*—Subsections (a) and (b) shall
14 apply to any company (other than a foreign bank)
15 that is a bank holding company and any organiza-
16 tion organized and operated under section 25A of the
17 Federal Reserve Act or operating under section 25 of
18 the Federal Reserve Act, as if such bank holding com-
19 pany or organization were an insured depository in-
20 stitution, except that such subsections shall be applied
21 for purposes of this subsection by substituting ‘Board
22 of Governors of the Federal Reserve System’ for ‘Cor-
23 poration’ each place that term appears in such sub-
24 sections.



1 “(2) *AUTHORITY OF BOARD.*—*The Board of Gov-*
2 *ernors of the Federal Reserve System may provide ex-*
3 *emptions, by regulation or order, from the application*
4 *of paragraph (1) if the exemption is consistent with*
5 *the purposes of this subsection.*

6 “(e) *SAVINGS AND LOAN HOLDING COMPANIES.*—

7 “(1) *IN GENERAL.*—*Subsections (a) and (b) shall*
8 *apply to any savings and loan holding company as*
9 *if such savings and loan holding company were an*
10 *insured depository institution, except that such sub-*
11 *sections shall be applied for purposes of this sub-*
12 *section by substituting ‘Director of the Office of Thrift*
13 *Supervision’ for ‘Corporation’ each place that term*
14 *appears in such subsections.*

15 “(2) *AUTHORITY OF DIRECTOR.*—*The Director of*
16 *the Office of Thrift Supervision may provide exemp-*
17 *tions, by regulation or order, from the application of*
18 *paragraph (1) if the exemption is consistent with the*
19 *purposes of this subsection.”.*

20 (b) *ENHANCED DISCRETION TO REMOVE CONVICTED*
21 *INDIVIDUALS.*—*Section 8(e)(2)(A) of the Federal Deposit*
22 *Insurance Act (12 U.S.C. 1818(e)(2)(A)) is amended—*

23 (1) *by striking “or” at the end of clause (ii);*

24 (2) *by striking the comma at the end of clause*

25 *(iii) and inserting “; or”; and*



1 “(3) by adding at the end the following new
2 *clause:*

3 “(iv) an institution-affiliated party of
4 a subsidiary (other than a bank) of a bank
5 holding company or of a subsidiary (other
6 than a savings association) of a savings
7 and loan holding company has been con-
8 victed of any criminal offense involving dis-
9 honesty or a breach of trust or a criminal
10 offense under section 1956, 1957, or 1960 of
11 title 18, United States Code, or has agreed
12 to enter into a pretrial diversion or similar
13 program in connection with a prosecution
14 for such an offense,”.

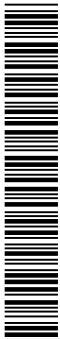
15 **SEC. 711. COORDINATION OF STATE EXAMINATION AU-**
16 **THORITY.**

17 Section 10(h) of the Federal Deposit Insurance Act
18 (12 U.S.C. 1820(h)) is amended to read as follows:

19 “(h) COORDINATION OF EXAMINATION AUTHOR-
20 ITY.—

21 “(1) STATE BANK SUPERVISORS OF HOME AND
22 HOST STATES.—

23 “(A) HOME STATE OF BANK.—The appro-
24 priate State bank supervisor of the home State



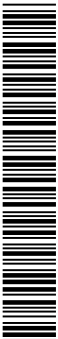
1 of an insured State bank has authority to ex-
2 amine and supervise the bank.

3 “(B) HOST STATE BRANCHES.—The State
4 bank supervisor of the home State of an in-
5 sured State bank and any State bank super-
6 visor of an appropriate host State shall exercise
7 its respective authority to supervise and exam-
8 ine the branches of the bank in a host State in
9 accordance with the terms of any applicable co-
10 operative agreement between the home State
11 bank supervisor and the State bank supervisor
12 of the relevant host State.

13 “(C) SUPERVISORY FEES.—Except as ex-
14 pressly provided in a cooperative agreement be-
15 tween the State bank supervisors of the home
16 State and any host State of an insured State
17 bank, only the State bank supervisor of the
18 home State of an insured State bank may levy
19 or charge State supervisory fees on the bank.

20 “(2) HOST STATE EXAMINATION.—

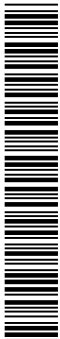
21 “(A) IN GENERAL.—With respect to a
22 branch operated in a host State by an out-of-
23 State insured State bank that resulted from an
24 interstate merger transaction approved under
25 section 44, or that was established in such



1 State pursuant to section 5155(g) of the Re-
2 vised Statutes of the United States, the third
3 undesignated paragraph of section 9 of the
4 Federal Reserve Act or section 18(d)(4) of this
5 Act, the appropriate State bank supervisor of
6 such host State may—

7 “(i) with written notice to the State
8 bank supervisor of the bank’s home State
9 and subject to the terms of any applicable
10 cooperative agreement with the State bank
11 supervisor of such home State, examine
12 such branch for the purpose of determining
13 compliance with host State laws that are
14 applicable pursuant to section 24(j), in-
15 cluding those that govern community rein-
16 vestment, fair lending, and consumer pro-
17 tection; and

18 “(ii) if expressly permitted under and
19 subject to the terms of a cooperative agree-
20 ment with the State bank supervisor of the
21 bank’s home State or if such out-of-State
22 insured State bank has been determined to
23 be in a troubled condition by either the
24 State bank supervisor of the bank’s home
25 State or the bank’s appropriate Federal



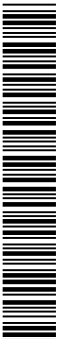
1 banking agency, participate in the exam-
2 ination of the bank by the State bank su-
3 pervisor of the bank's home State to ascer-
4 tain that the activities of the branch in
5 such host State are not conducted in an
6 unsafe or unsound manner.

7 “(B) NOTICE OF DETERMINATION.—

8 “(i) IN GENERAL.—The State bank
9 supervisor of the home State of an insured
10 State bank shall notify the State bank su-
11 pervisor of each host State of the bank if
12 there has been a final determination that
13 the bank is in a troubled condition.

14 “(ii) TIMING OF NOTICE.—The State
15 bank supervisor of the home State of an
16 insured State bank shall provide notice
17 under clause (i) as soon as is reasonably
18 possible, but in all cases not later than 15
19 business days after the date on which the
20 State bank supervisor has made such final
21 determination or has received written noti-
22 fication of such final determination.

23 “(3) HOST STATE ENFORCEMENT.—If the State
24 bank supervisor of a host State determines that a
25 branch of an out-of-State insured State bank is vio-



1 lating any law of the host State that is applicable to
2 such branch pursuant to section 24(j), including a
3 law that governs community reinvestment, fair lend-
4 ing, or consumer protection, the State bank super-
5 visor of the host State or, to the extent authorized
6 by the law of the host State, a host State law en-
7 forcement officer may, with written notice to the
8 State bank supervisor of the bank's home State and
9 subject to the terms of any applicable cooperative
10 agreement with the State bank supervisor of the
11 bank's home State, undertake such enforcement ac-
12 tions and proceedings as would be permitted under
13 the law of the host State as if the branch were a
14 bank chartered by that host State.

15 “(4) COOPERATIVE AGREEMENT.—

16 “(A) IN GENERAL.—The State bank super-
17 visors from 2 or more States may enter into co-
18 operative agreements to facilitate State regu-
19 latory supervision of State banks, including co-
20 operative agreements relating to the coordina-
21 tion of examinations and joint participation in
22 examinations.

23 “(B) DEFINITION.—For purposes of this
24 subsection, the term ‘cooperative agreement’
25 means a written agreement that is signed by



1 the home State bank supervisor and the host
2 State bank supervisor to facilitate State regu-
3 latory supervision of State banks, and includes
4 nationwide or multi-State cooperative agree-
5 ments and cooperative agreements solely be-
6 tween the home State and host State.

7 “(C) RULE OF CONSTRUCTION.—Except
8 for State bank supervisors, no provision of this
9 subsection relating to such cooperative agree-
10 ments shall be construed as limiting in any way
11 the authority of home State and host State law
12 enforcement officers, regulatory supervisors, or
13 other officials that have not signed such cooper-
14 ative agreements to enforce host State laws that
15 are applicable to a branch of an out-of-State in-
16 sured State bank located in the host State pur-
17 suant to section 24(j).

18 “(5) FEDERAL REGULATORY AUTHORITY.—No
19 provision of this subsection shall be construed as
20 limiting in any way the authority of any Federal
21 banking agency.

22 “(6) STATE TAXATION AUTHORITY NOT AF-
23 FECTED.—No provision of this subsection shall be
24 construed as affecting the authority of any State or
25 political subdivision of any State to adopt, apply, or



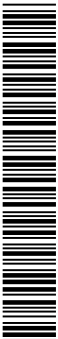
1 administer any tax or method of taxation to any
2 bank, bank holding company, or foreign bank, or
3 any affiliate of any bank, bank holding company, or
4 foreign bank, to the extent that such tax or tax
5 method is otherwise permissible by or under the
6 Constitution of the United States or other Federal
7 law.

8 “(7) DEFINITIONS.—For purpose of this sec-
9 tion, the following definitions shall apply:

10 “(A) HOST STATE, HOME STATE, OUT-OF-
11 STATE BANK.—The terms ‘host State’, ‘home
12 State’, and ‘out-of-State bank’ have the same
13 meanings as in section 44(g).

14 “(B) STATE SUPERVISORY FEES.—The
15 term ‘State supervisory fees’ means assess-
16 ments, examination fees, branch fees, license
17 fees, and all other fees that are levied or
18 charged by a State bank supervisor directly
19 upon an insured State bank or upon branches
20 of an insured State bank.

21 “(C) TROUBLED CONDITION.—Solely for
22 purposes of paragraph (2)(B), an insured State
23 bank has been determined to be in ‘troubled
24 condition’ if the bank—



1 “(i) has a composite rating, as deter-
2 mined in its most recent report of exam-
3 ination, of 4 or 5 under the Uniform Fi-
4 nancial Institutions Ratings System;

5 “(ii) is subject to a proceeding initi-
6 ated by the Corporation for termination or
7 suspension of deposit insurance; or

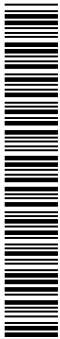
8 “(iii) is subject to a proceeding initi-
9 ated by the State bank supervisor of the
10 bank’s home State to vacate, revoke, or
11 terminate the charter of the bank, or to
12 liquidate the bank, or to appoint a receiver
13 for the bank.

14 “(D) FINAL DETERMINATION.—For pur-
15 poses of paragraph (2)(B), the term ‘final de-
16 termination’ means the transmittal of a report
17 of examination to the bank or transmittal of of-
18 ficial notice of proceedings to the bank.”.

19 **SEC. 712. DEPUTY DIRECTOR; SUCCESSION AUTHORITY**
20 **FOR DIRECTOR OF THE OFFICE OF THRIFT**
21 **SUPERVISION.**

22 (a) ESTABLISHMENT OF POSITION OF DEPUTY DI-
23 RECTOR.—Section 3(c)(5) of the Home Owners’ Loan Act
24 (12 U.S.C. 1462a(c)(5)) is amended to read as follows:

25 “(5) DEPUTY DIRECTOR.—



1 “(A) IN GENERAL.—The Secretary of the
2 Treasury shall appoint a Deputy Director, and
3 may appoint not more than 3 additional Deputy
4 Directors of the Office.

5 “(B) FIRST DEPUTY DIRECTOR.—If the
6 Secretary of the Treasury appoints more than
7 1 Deputy Director of the Office, the Secretary
8 shall designate one such appointee as the First
9 Deputy Director.

10 “(C) DUTIES.—Each Deputy Director ap-
11 pointed under this paragraph shall take an oath
12 of office and perform such duties as the Direc-
13 tor shall direct.

14 “(D) COMPENSATION AND BENEFITS.—
15 The Director shall fix the compensation and
16 benefits for each Deputy Director in accordance
17 with this Act.”.

18 (b) SERVICE OF DEPUTY DIRECTOR AS ACTING DI-
19 RECTOR.—Section 3(c)(3) of the Home Owners’ Loan Act
20 (12 U.S.C. 1462a(c)(3)) is amended—

21 (1) by striking “**VACANCY.**—A vacancy in the
22 position of Director” and inserting “**VACANCY.**—

23 “(A) IN GENERAL.—A vacancy in the posi-
24 tion of Director”; and

25 (2) by adding at the end the following:

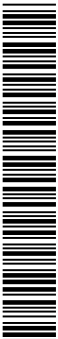


1 “(B) ACTING DIRECTOR.—

2 “(i) IN GENERAL.—In the event of a
3 vacancy in the position of Director or dur-
4 ing the absence or disability of the Direc-
5 tor, the Deputy Director shall serve as
6 Acting Director.

7 “(ii) SUCCESSION IN CASE OF 2 OR
8 MORE DEPUTY DIRECTORS.—If there are 2
9 or more Deputy Directors serving at the
10 time a vacancy in the position of Director
11 occurs or the absence or disability of the
12 Director commences, the First Deputy Di-
13 rector shall serve as Acting Director under
14 clause (i) followed by such other Deputy
15 Directors under any order of succession
16 the Director may establish.

17 “(iii) AUTHORITY OF ACTING DIREC-
18 TOR.—Any Deputy Director, while serving
19 as Acting Director under this subpara-
20 graph, shall be vested with all authority,
21 duties, and privileges of the Director under
22 this Act and any other provision of Federal
23 law.”.



1 **SEC. 713. OFFICE OF THRIFT SUPERVISION REPRESENTA-**
2 **TION ON BASEL COMMITTEE ON BANKING SU-**
3 **PERVISION.**

4 (a) IN GENERAL.—Section 912 of the International
5 Lending Supervision Act of 1983 (12 U.S.C. 3911) is
6 amended—

7 (1) in the section heading, by inserting at the
8 end the following: “**AND THE OFFICE OF THRIFT**
9 **SUPERVISION**”;

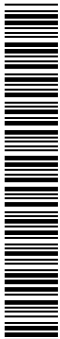
10 (2) by striking “As one of the three” and in-
11 serting the following:

12 “(a) IN GENERAL.—As one of the 4”; and

13 (3) by adding at the end the following:

14 “(b) As one of the 4 Federal bank regulatory and
15 supervisory agencies, the Office of Thrift Supervision shall
16 be given equal representation with the Board of Governors
17 of the Federal Reserve System, the Office of the Comp-
18 troller of the Currency, and the Federal Deposit Insurance
19 Corporation on the Committee on Banking Regulations
20 and Supervisory Practices of the Group of Ten Countries
21 and Switzerland.”.

22 (b) CONFORMING AMENDMENTS.—Section 910(a) of
23 the International Lending Supervision Act of 1983 (12
24 U.S.C. 3909(a)) is amended—



1 (1) in paragraph (2), by striking “insured
2 bank” and inserting “insured depository institu-
3 tion”; and

4 (2) in paragraph (3), by striking “an ‘insured
5 bank’, as such term is used in section 3(h)” and in-
6 serting “an ‘insured depository institution’, as such
7 term is defined in section 3(c)(2)”.

8 **SEC. 714. FEDERAL FINANCIAL INSTITUTIONS EXAMINA-**
9 **TION COUNCIL.**

10 (a) COUNCIL MEMBERSHIP.—Section 1004(a) of the
11 Federal Financial Institutions Examination Council Act of
12 1978 (12 U.S.C. 3303(a)) is amended—

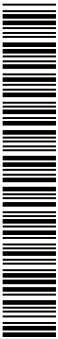
13 (1) in paragraph (4), by striking “Thrift” and
14 all that follows through the end of the paragraph
15 and inserting “Thrift Supervision,”;

16 (2) in paragraph (5) by striking the period at
17 the end and inserting “, and”; and

18 (3) by adding at the end the following:

19 “(6) the Chairman of the State Liaison Com-
20 mittee.”.

21 (b) CHAIRPERSON OF LIAISON COMMITTEE.—Section
22 1007 of the Federal Financial Institutions Examination
23 Council Act of 1978 (12 U.S.C. 3306) is amended by add-
24 ing at the end the following: “Members of the Liaison



1 Committee shall elect a chairperson from among the mem-
2 bers serving on the committee.”.

3 **SEC. 715. TECHNICAL AMENDMENTS RELATING TO IN-**
4 **SURED INSTITUTIONS.**

5 (a) TECHNICAL AMENDMENT TO THE FEDERAL DE-
6 POSIT INSURANCE ACT.—Section 8(i)(3) of the Federal
7 Deposit Insurance Act (12 U.S.C. 1818(i)(3)) is amended
8 by inserting “or order” after “notice” each place that term
9 appears.

10 (b) TECHNICAL AMENDMENT TO THE FEDERAL
11 CREDIT UNION ACT.—Section 206(k)(3) of the Federal
12 Credit Union Act (12 U.S.C. 1786(k)(3)) is amended by
13 inserting “or order” after “notice” each place that term
14 appears.

15 **SEC. 716. CLARIFICATION OF ENFORCEMENT AUTHORITY.**

16 (a) ACTIONS ON APPLICATIONS, NOTICES, AND
17 OTHER REQUESTS; CLARIFICATION THAT CHANGE IN
18 CONTROL CONDITIONS ARE ENFORCEABLE.—Section 8 of
19 the Federal Deposit Insurance Act (12 U.S.C. 1818) is
20 amended—

21 (1) in subsection (b)(1), in the first sentence,
22 by striking “the granting of any application or other
23 request by the depository institution” and inserting
24 “any action on any application, notice, or other re-



1 quest by the depository institution or institution-af-
2 filiated party,”;

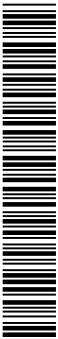
3 (2) in subsection (e)(1)(A)(i)(III), by striking
4 “the grant of any application or other request by
5 such depository institution” and inserting “any ac-
6 tion on any application, notice, or request by such
7 depository institution or institution-affiliated party”;
8 and

9 (3) in subsection (i)(2)(A)(iii), by striking “the
10 grant of any application or other request by such de-
11 pository institution” and inserting “any action on
12 any application, notice, or other request by the de-
13 pository institution or institution-affiliated party”.

14 (b) CLARIFICATION THAT CHANGE IN CONTROL
15 CONDITIONS ARE ENFORCEABLE.—Section 206 of the
16 Federal Credit Union Act (12 U.S.C. 1786) is amended—

17 (1) in subsection (b)(1), in the first sentence,
18 by striking “the granting of any application or other
19 request by the credit union” and inserting “any ac-
20 tion on any application, notice, or other request by
21 the credit union or institution-affiliated party,”;

22 (2) in subsection (g)(1)(A)(i)(III), by striking
23 “the grant of any application or other request by
24 such credit union” and inserting “any action on any



1 application, notice, or request by such credit union
2 or institution-affiliated party”; and

3 (3) in subsection (k)(2)(A)(iii), by striking “the
4 grant of any application or other request by such
5 credit union” and inserting “any action on any ap-
6 plication, notice, or other request by the credit union
7 or institution-affiliated party”.

8 **SEC. 717. FEDERAL BANKING AGENCY AUTHORITY TO EN-**
9 **FORCE DEPOSIT INSURANCE CONDITIONS.**

10 Section 8 of the Federal Deposit Insurance Act (12
11 U.S.C. 1818) is amended—

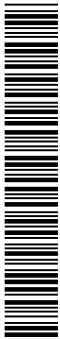
12 (1) in subsection (b)(1), in the 1st sentence—

13 (A) by striking “in writing by the agency”
14 and inserting “in writing by a Federal banking
15 agency”; and

16 (B) by striking “the agency may issue and
17 serve” and inserting “the appropriate Federal
18 banking agency for the depository institution
19 may issue and serve”;

20 (2) in subsection (e)(1)—

21 (A) in subparagraph (A)(i)(III), by strik-
22 ing “in writing by the appropriate Federal
23 banking agency” and inserting “in writing by a
24 Federal banking agency”; and



1 (B) in the undesignated matter at the end,
2 by striking “the agency may serve upon such
3 party” and inserting “the appropriate Federal
4 banking agency for the depository institution
5 may serve upon such party”; and

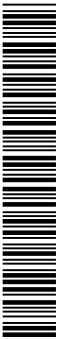
6 (3) in subsection (i)(2)(A)(iii), by striking “in
7 writing by the appropriate Federal banking agency”
8 and inserting “in writing by a Federal banking
9 agency”.

10 **SEC. 718. RECEIVER OR CONSERVATOR CONSENT REQUIRE-**
11 **MENT.**

12 (a) INSURED DEPOSITORY INSTITUTIONS.—Section
13 11(e)(13) of the Federal Deposit Insurance Act (12
14 U.S.C. 1821(e)(13)) is amended by adding at the end the
15 following:

16 “(C) CONSENT REQUIREMENT.—

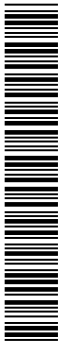
17 “(i) IN GENERAL.—Except as other-
18 wise provided by this section or section 15,
19 no person may exercise any right or power
20 to terminate, accelerate, or declare a de-
21 fault under any contract to which the de-
22 pository institution is a party, or to obtain
23 possession of or exercise control over any
24 property of the institution or affect any
25 contractual rights of the institution, with-



1 out the consent of the conservator or re-
2 ceiver, as appropriate, during the 45-day
3 period beginning on the date of the ap-
4 pointment of the conservator, or during the
5 90-day period beginning on the date of the
6 appointment of the receiver, as applicable.

7 “(ii) CERTAIN EXCEPTIONS.—No pro-
8 vision of this subparagraph shall apply to
9 a director or officer liability insurance con-
10 tract or a depository institution bond, to
11 the rights of parties to certain qualified fi-
12 nancial contracts pursuant to paragraph
13 (8), or to the rights of parties to netting
14 contracts pursuant to subtitle A of title IV
15 of the Federal Deposit Insurance Corpora-
16 tion Improvement Act of 1991 (12 U.S.C.
17 4401 et seq.), or shall be construed as per-
18 mitting the conservator or receiver to fail
19 to comply with otherwise enforceable provi-
20 sions of such contract.

21 “(iii) RULE OF CONSTRUCTION.—
22 Nothing in this subparagraph shall be con-
23 strued to limit or otherwise affect the ap-
24 plicability of title 11, United States
25 Code.”.

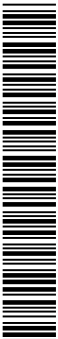


1 (b) INSURED CREDIT UNIONS.—Section 207(c)(12)
2 of the Federal Credit Union Act (12 U.S.C. 1787(c)(12))
3 is amended by adding the following:

4 “(C) CONSENT REQUIREMENT.—

5 “(i) IN GENERAL.—Except as other-
6 wise provided by this section, no person
7 may exercise any right or power to termi-
8 nate, accelerate, or declare a default under
9 any contract to which the credit union is a
10 party, or to obtain possession of or exercise
11 control over any property of the credit
12 union or affect any contractual rights of
13 the credit union, without the consent of the
14 conservator or liquidating agent, as appro-
15 priate, during the 45-day period beginning
16 on the date of the appointment of the con-
17 servator, or during the 90-day period be-
18 ginning on the date of the appointment of
19 the liquidating agent, as applicable.

20 “(ii) CERTAIN EXCEPTIONS.—No pro-
21 vision of this subparagraph shall apply to
22 a director or officer liability insurance con-
23 tract or a credit union bond, or to the
24 rights of parties to certain qualified finan-
25 cial contracts pursuant to paragraph (8),



1 or shall be construed as permitting the
2 conservator or liquidating agent to fail to
3 comply with otherwise enforceable provi-
4 sions of such contract.

5 “(iii) RULE OF CONSTRUCTION.—
6 Nothing in this subparagraph shall be con-
7 strued to limit or otherwise affect the ap-
8 plicability of title 11, United States
9 Code.”.

10 **SEC. 719. ACQUISITION OF FICO SCORES.**

11 Section 604(a) of the Fair Credit Reporting Act (15
12 U.S.C. 1681b(a)) is amended by adding at the end the
13 following:

14 “(6) To the Federal Deposit Insurance Cor-
15 poration or the National Credit Union Administra-
16 tion as part of its preparation for its appointment or
17 as part of its exercise of powers, as conservator, re-
18 ceiver, or liquidating agent for an insured depository
19 institution or insured credit union under the Federal
20 Deposit Insurance Act or the Federal Credit Union
21 Act, or other applicable Federal or State law, or in
22 connection with the resolution or liquidation of a
23 failed or failing insured depository institution or in-
24 sured credit union, as applicable.”.



1 **SEC. 720. ELIMINATION OF CRIMINAL INDICTMENTS**
2 **AGAINST RECEIVERSHIPS.**

3 (a) INSURED DEPOSITORY INSTITUTIONS.—Section
4 15(b) of the Federal Deposit Insurance Act (12 U.S.C.
5 1825(b)) is amended by inserting immediately after para-
6 graph (3) the following:

7 “(4) EXEMPTION FROM CRIMINAL PROSECU-
8 TION.—The Corporation shall be exempt from all
9 prosecution by the United States or any State, coun-
10 ty, municipality, or local authority for any criminal
11 offense arising under Federal, State, county, munic-
12 ipal, or local law, which was allegedly committed by
13 the institution, or persons acting on behalf of the in-
14 stitution, prior to the appointment of the Corpora-
15 tion as receiver.”.

16 (b) INSURED CREDIT UNIONS.—Section 207(b)(2) of
17 the Federal Credit Union Act (12 U.S.C. 1787(b)(2)) is
18 amended by adding at the end the following:

19 “(K) EXEMPTION FROM CRIMINAL PROS-
20 ECUTION.—The Administration shall be exempt
21 from all prosecution by the United States or
22 any State, county, municipality, or local author-
23 ity for any criminal offense arising under Fed-
24 eral, State, county, municipal, or local law,
25 which was allegedly committed by a credit
26 union, or persons acting on behalf of a credit



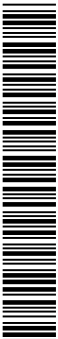
1 union, prior to the appointment of the Adminis-
2 tration as liquidating agent.”.

3 **SEC. 721. RESOLUTION OF DEPOSIT INSURANCE DISPUTES.**

4 (a) INSURED DEPOSITORY INSTITUTIONS.—Section
5 11(f) of the Federal Deposit Insurance Act (12 U.S.C.
6 1821(f)) is amended by striking paragraphs (3) through
7 (5) and inserting the following:

8 “(3) RESOLUTION OF DISPUTES.—A determina-
9 tion by the Corporation regarding any claim for in-
10 surance coverage shall be treated as a final deter-
11 mination for purposes of this section. In its discre-
12 tion, the Corporation may promulgate regulations
13 prescribing procedures for resolving any disputed
14 claim relating to any insured deposit or any deter-
15 mination of insurance coverage with respect to any
16 deposit.

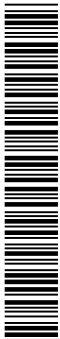
17 “(4) REVIEW OF CORPORATION DETERMINA-
18 TION.—A final determination made by the Corpora-
19 tion regarding any claim for insurance coverage shall
20 be a final agency action reviewable in accordance
21 with chapter 7 of title 5, United States Code, by the
22 United States district court for the Federal judicial
23 district where the principal place of business of the
24 depository institution is located.



1 “(5) STATUTE OF LIMITATIONS.—Any request
2 for review of a final determination by the Corpora-
3 tion regarding any claim for insurance coverage shall
4 be filed with the appropriate United States district
5 court not later than 60 days after the date on which
6 such determination is issued.”.

7 (b) INSURED CREDIT UNIONS.—Section 207(d) of
8 the Federal Credit Union Act (12 U.S.C. 1787(d)) is
9 amended by striking paragraphs (3) through (5) and in-
10 serting the following:

11 “(3) RESOLUTION OF DISPUTES.—A determina-
12 tion by the Administration regarding any claim for
13 insurance coverage shall be treated as a final deter-
14 mination for purposes of this section. In its discre-
15 tion, the Board may promulgate regulations pre-
16 scribing procedures for resolving any disputed claim
17 relating to any insured deposit or any determination
18 of insurance coverage with respect to any deposit. A
19 final determination made by the Board regarding
20 any claim for insurance coverage shall be a final
21 agency action reviewable in accordance with chapter
22 7 of title 5, United States Code, by the United
23 States district court for the Federal judicial district
24 where the principal place of business of the credit
25 union is located.



1 “(4) STATUTE OF LIMITATIONS.—Any request
2 for review of a final determination by the Board re-
3 garding any claim for insurance coverage shall be
4 filed with the appropriate United States district
5 court not later than 60 days after the date on which
6 such determination is issued.”.

7 **SEC. 722. RECORDKEEPING.**

8 (a) INSURED DEPOSITORY INSTITUTIONS.—Section
9 11(d)(15)(D) of the Federal Deposit Insurance Act (12
10 U.S.C. 1821(d)(15)(D)) is amended—

11 (1) by striking “After the end of the 6-year pe-
12 riod” and inserting the following:

13 “(i) IN GENERAL.—Except as pro-
14 vided in clause (ii), after the end of the 6-
15 year period”; and

16 (2) by adding at the end the following:

17 “(ii) OLD RECORDS.—Notwith-
18 standing clause (i), the Corporation may
19 destroy records of an insured depository
20 institution which are at least 10 years old
21 as of the date on which the Corporation is
22 appointed as the receiver of such deposi-
23 tory institution in accordance with clause
24 (i) at any time after such appointment is



1 final, without regard to the 6-year period
2 of limitation contained in clause (i).”.

3 (b) INSURED CREDIT UNIONS.—Section
4 207(b)(15)(D) of the Federal Credit Union Act (12
5 U.S.C. 1787(b)(15)(D)) is amended—

6 (1) by striking “After the end of the 6-year pe-
7 riod” and inserting the following:

8 “(i) IN GENERAL.—Except as pro-
9 vided in clause (ii), after the end of the 6-
10 year period”; and

11 (2) by adding at the end the following:

12 “(ii) OLD RECORDS.—Notwith-
13 standing clause (i) the Board may destroy
14 records of an insured credit union which
15 are at least 10 years old as of the date on
16 which the Board is appointed as liqui-
17 dating agent of such credit union in ac-
18 cordance with clause (i) at any time after
19 such appointment is final, without regard
20 to the 6-year period of limitation contained
21 in clause (i).”.

22 **SEC. 723. PRESERVATION OF RECORDS.**

23 (a) INSURED DEPOSITORY INSTITUTIONS.—Section
24 10(f) of the Federal Deposit Insurance Act (12 U.S.C.
25 1820(f)) is amended to read as follows:



1 “(f) PRESERVATION OF AGENCY RECORDS.—

2 “(1) IN GENERAL.—A Federal banking agency
3 may cause any and all records, papers, or documents
4 kept by the agency or in the possession or custody
5 of the agency to be—

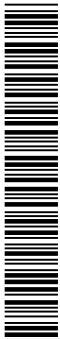
6 “(A) photographed or microphotographed
7 or otherwise reproduced upon film; or

8 “(B) preserved in any electronic medium
9 or format which is capable of—

10 “(i) being read or scanned by com-
11 puter; and

12 “(ii) being reproduced from such elec-
13 tronic medium or format by printing any
14 other form of reproduction of electronically
15 stored data.

16 “(2) TREATMENT AS ORIGINAL RECORDS.—Any
17 photographs, microphotographs, or photographic
18 film or copies thereof described in paragraph (1)(A)
19 or reproduction of electronically stored data de-
20 scribed in paragraph (1)(B) shall be deemed to be
21 an original record for all purposes, including intro-
22 duction in evidence in all State and Federal courts
23 or administrative agencies, and shall be admissible
24 to prove any act, transaction, occurrence, or event
25 therein recorded.



1 “(3) AUTHORITY OF THE FEDERAL BANKING
2 AGENCIES.—Any photographs, microphotographs, or
3 photographic film or copies thereof described in
4 paragraph (1)(A) or reproduction of electronically
5 stored data described in paragraph (1)(B) shall be
6 preserved in such manner as the Federal banking
7 agency shall prescribe, and the original records, pa-
8 pers, or documents may be destroyed or otherwise
9 disposed of as the Federal banking agency may di-
10 rect.”.

11 (b) INSURED CREDIT UNIONS.—Section 206(s) of
12 the Federal Credit Union Act (12 U.S.C. 1786(s)) is
13 amended by adding at the end the following:

14 “(9) PRESERVATION OF RECORDS.—

15 “(A) IN GENERAL.—The Board may cause
16 any and all records, papers, or documents kept
17 by the Administration or in the possession or
18 custody of the Administration to be—

19 “(i) photographed or microphoto-
20 graphed or otherwise reproduced upon
21 film; or

22 “(ii) preserved in any electronic me-
23 dium or format which is capable of—

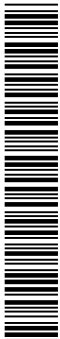
24 “(I) being read or scanned by
25 computer; and



1 “(II) being reproduced from such
2 electronic medium or format by print-
3 ing or any other form of reproduction
4 of electronically stored data.

5 “(B) TREATMENT AS ORIGINAL
6 RECORDS.—Any photographs, micrographs, or
7 photographic film or copies thereof described in
8 subparagraph (A)(i) or reproduction of elec-
9 tronically stored data described in subpara-
10 graph (A)(ii) shall be deemed to be an original
11 record for all purposes, including introduction
12 in evidence in all State and Federal courts or
13 administrative agencies, and shall be admissible
14 to prove any act, transaction, occurrence, or
15 event therein recorded.

16 “(C) AUTHORITY OF THE ADMINISTRA-
17 TION.—Any photographs, microphotographs, or
18 photographic film or copies thereof described in
19 subparagraph (A)(i) or reproduction of elec-
20 tronically stored data described in subpara-
21 graph (A)(ii) shall be preserved in such manner
22 as the Administration shall prescribe, and the
23 original records, papers, or documents may be
24 destroyed or otherwise disposed of as the Ad-
25 ministration may direct.”.



1 **SEC. 724. TECHNICAL AMENDMENTS TO INFORMATION**
2 **SHARING PROVISION IN THE FEDERAL DE-**
3 **POSIT INSURANCE ACT.**

4 Section 11(t) of the Federal Deposit Insurance Act
5 (12 U.S.C. 1821(t)) is amended—

6 (1) in paragraph (1), by inserting “, in any ca-
7 pacity,” after “A covered agency”; and

8 (2) in paragraph (2)(A)—

9 (A) in clause (i), by striking “appro-
10 priate”;

11 (B) by striking clause (ii); and

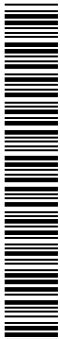
12 (C) by redesignating clauses (iii) through
13 (vi) as clauses (ii) through (v), respectively.

14 **SEC. 725. TECHNICAL AND CONFORMING AMENDMENTS RE-**
15 **LATING TO BANKS OPERATING UNDER THE**
16 **CODE OF LAW FOR THE DISTRICT OF COLUM-**
17 **BIA.**

18 (a) FEDERAL RESERVE ACT.—The Federal Reserve
19 Act (12 U.S.C. 221 et seq.) is amended—

20 (1) in the second undesignated paragraph of
21 the first section (12 U.S.C. 221), by adding at the
22 end the following: “For purposes of this Act, a State
23 bank includes any bank which is operating under the
24 Code of Law for the District of Columbia.”; and

25 (2) in the first sentence of the first undesign-
26 ated paragraph of section 9 (12 U.S.C. 321), by



1 striking “incorporated by special law of any State,
2 or” and inserting “incorporated by special law of
3 any State, operating under the Code of Law for the
4 District of Columbia, or”.

5 (b) BANK CONSERVATION ACT.—Section 202 of the
6 Bank Conservation Act (12 U.S.C. 202) is amended—

7 (1) by striking “means (1) any national” and
8 inserting “means any national”; and

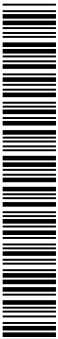
9 (2) by striking “, and (2) any bank or trust
10 company located in the District of Columbia and op-
11 erating under the supervision of the Comptroller of
12 the Currency”.

13 (c) DEPOSITORY INSTITUTION DEREGULATION AND
14 MONETARY CONTROL ACT OF 1980.—Part C of title VII
15 of the Depository Institution Deregulation and Monetary
16 Control Act of 1980 (12 U.S.C. 216 et seq.) is amended—

17 (1) in paragraph (1) of section 731 (12 U.S.C.
18 216(1)), by striking “and closed banks in the Dis-
19 trict of Columbia”; and

20 (2) in paragraph (2) of section 732 (12 U.S.C.
21 216a(2)), by striking “or closed banks in the Dis-
22 trict of Columbia”.

23 (d) FEDERAL DEPOSIT INSURANCE ACT.—Section
24 3(a)(2)(B) of the Federal Deposit Insurance Act (12



1 U.S.C. 1813(a)(2)(B)) is amended by striking “(except a
2 national bank)”.

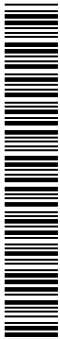
3 (e) NATIONAL BANK CONSOLIDATION AND MERGER
4 ACT.—Section 7(1) of the National Bank Consolidation
5 and Merger Act (12 U.S.C. 215b(1)) is amended by strik-
6 ing “(except a national banking association located in the
7 District of Columbia)”.

8 (f) ACT OF AUGUST 17, 1950.—Section 1(a) of the
9 Act entitled “An Act to provide for the conversion of na-
10 tional banking associations into and their merger or con-
11 solidation with State banks, and for other purposes” and
12 approved August 17, 1950 (12 U.S.C. 214(a)) is amended
13 by striking “(except a national banking association)”.

14 (g) FEDERAL TRADE COMMISSION ACT.—Section
15 18(f)(2) of the Federal Trade Commission Act (15 U.S.C.
16 57a(f)(2)) is amended—

17 (1) in subparagraph (A), by striking “, banks
18 operating under the code of law for the District of
19 Columbia,”; and

20 (2) in subparagraph (B), by striking “and
21 banks operating under the code of law for the Dis-
22 trict of Columbia”.



1 **SEC. 726. TECHNICAL CORRECTIONS TO THE FEDERAL**
2 **CREDIT UNION ACT.**

3 The Federal Credit Union Act (12 U.S.C. 1751 et
4 seq.) is amended as follows:

5 (1) In section 101(3), strike “and” after the
6 semicolon.

7 (2) In section 101(5), strike the terms “account
8 account” and “account accounts” each place any
9 such term appears and insert “account”.

10 (3) In section 107(5)(E), strike the period at
11 the end and insert a semicolon.

12 (4) In each of paragraphs (6) and (7) of section
13 107, strike the period at the end and insert a semi-
14 colon.

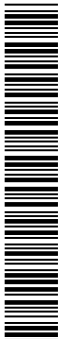
15 (5) In section 107(7)(D), strike “the Federal
16 Savings and Loan Insurance Corporation or”.

17 (6) In section 107(7)(E), strike “the Federal
18 Home Loan Bank Board,” and insert “the Federal
19 Housing Finance Board,”.

20 (7) In section 107(9), strike “subchapter III”
21 and insert “title III”.

22 (8) In section 107(13), strike “and” after the
23 semicolon at the end.

24 (9) In section 109(c)(2)(A)(i), strike “(12
25 U.S.C. 4703(16))”.



1 (10) In section 120(h), strike “the Act ap-
2 proved July 30, 1947 (6 U.S.C., secs. 6–13),” and
3 insert “chapter 93 of title 31, United States Code,”.

4 (11) In section 201(b)(5), strike “section 116
5 of”.

6 (12) In section 202(h)(3), strike “section
7 207(c)(1)” and insert “section 207(k)(1)”.

8 (13) In section 204(b), strike “such others pow-
9 ers” and insert “such other powers”.

10 (14) In section 206(e)(3)(D), strike “and” after
11 the semicolon at the end.

12 (15) In section 206(f)(1), strike “subsection
13 (e)(3)(B)” and insert “subsection (e)(3)”.

14 (16) In section 206(g)(7)(D), strike “and sub-
15 section (1)”.

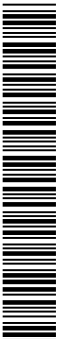
16 (17) In section 206(t)(2)(B), insert “regula-
17 tions” after “as defined in”.

18 (18) In section 206(t)(2)(C), strike “material
19 affect” and insert “material effect”.

20 (19) In section 206(t)(4)(A)(ii)(II), strike “or”
21 after the semicolon at the end.

22 (20) In section 206A(a)(2)(A), strike “regulator
23 agency” and insert “regulatory agency”.

24 (21) In section 207(c)(5)(B)(i)(I), insert “and”
25 after the semicolon at the end.



1 (22) In the heading for subparagraph (A) of
2 section 207(d)(3), strike “TO” and insert “WITH”.

3 (23) In section 207(f)(3)(A), strike “category
4 or claimants” and insert “category of claimants”.

5 (24) In section 209(a)(8), strike the period at
6 the end and insert a semicolon.

7 (25) In section 216(n), insert “any action” be-
8 fore “that is required”.

9 (26) In section 304(b)(3), strike “the affairs or
10 such credit union” and insert “the affairs of such
11 credit union”.

12 (27) In section 310, strike “section 102(e)” and
13 insert “section 102(d)”.

14 **SEC. 727. REPEAL OF OBSOLETE PROVISIONS OF THE BANK**
15 **HOLDING COMPANY ACT OF 1956.**

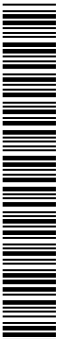
16 (a) IN GENERAL.—Section 2 of the Bank Holding
17 Company Act of 1956 (12 U.S.C. 1841) is amended—

18 (1) in subsection (c)(2), by striking subpara-
19 graphs (I) and (J); and

20 (2) by striking subsection (m) and inserting the
21 following:

22 “(m) [Repealed]”.

23 (b) TECHNICAL AND CONFORMING AMENDMENTS.—
24 Paragraphs (1) and (2) of section 4(h) of the Bank Hold-
25 ing Company Act of 1956 (12 U.S.C. 1843(h)) are each



1 amended by striking “(G), (H), (I), or (J) of section
2 2(c)(2)” and inserting “(G), or (H) of section 2(c)(2)”.

3 **SEC. 728. DEVELOPMENT OF MODEL PRIVACY FORM.**

4 Section 503 of the Gramm-Leach-Bliley Act (15
5 U.S.C. 6803), as amended by section 609, is amended by
6 adding at the end the following:

7 “(e) MODEL FORMS.—

8 “(1) IN GENERAL.—The agencies referred to in
9 section 504(a)(1) shall jointly develop a model form
10 which may be used, at the option of the financial in-
11 stitution, for the provision of disclosures under this
12 section.

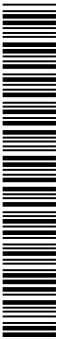
13 “(2) FORMAT.—A model form developed under
14 paragraph (1) shall—

15 “(A) be comprehensible to consumers, with
16 a clear format and design;

17 “(B) provide for clear and conspicuous dis-
18 closures;

19 “(C) enable consumers easily to identify
20 the sharing practices of a financial institution
21 and to compare privacy practices among finan-
22 cial institutions; and

23 “(D) be succinct, and use an easily read-
24 able type font.



1 “(3) TIMING.—A model form required to be de-
2 veloped by this subsection shall be issued in pro-
3 posed form for public comment not later than 180
4 days after the date of enactment of this subsection.

5 “(4) SAFE HARBOR.—Any financial institution
6 that elects to provide the model form developed by
7 the agencies under this subsection shall be deemed
8 to be in compliance with the disclosures required
9 under this section.”.

10 **TITLE VIII—FAIR DEBT COLLEC-**
11 **TION PRACTICES ACT AMEND-**
12 **MENTS**

13 **SEC. 801. EXCEPTION FOR CERTAIN BAD CHECK ENFORCE-**
14 **MENT PROGRAMS.**

15 (a) IN GENERAL.—The Fair Debt Collection Prac-
16 tices Act (15 U.S.C. 1692 et seq.) is amended—

17 (1) by redesignating section 818 as section 819;
18 and

19 (2) by inserting after section 817 the following:

20 **“§ 818. Exception for certain bad check enforcement**
21 **programs operated by private entities**

22 “(a) IN GENERAL.—

23 “(1) TREATMENT OF CERTAIN PRIVATE ENTI-
24 TIES.—Subject to paragraph (2), a private entity
25 shall be excluded from the definition of a debt col-



1 lector, pursuant to the exception provided in section
2 803(6), with respect to the operation by the entity
3 of a program described in paragraph (2)(A) under
4 a contract described in paragraph (2)(B).

5 “(2) CONDITIONS OF APPLICABILITY.—Para-
6 graph (1) shall apply if—

7 “(A) a State or district attorney estab-
8 lishes, within the jurisdiction of such State or
9 district attorney and with respect to alleged bad
10 check violations that do not involve a check de-
11 scribed in subsection (b), a pretrial diversion
12 program for alleged bad check offenders who
13 agree to participate voluntarily in such program
14 to avoid criminal prosecution;

15 “(B) a private entity, that is subject to an
16 administrative support services contract with a
17 State or district attorney and operates under
18 the direction, supervision, and control of such
19 State or district attorney, operates the pretrial
20 diversion program described in subparagraph
21 (A); and

22 “(C) in the course of performing duties
23 delegated to it by a State or district attorney
24 under the contract, the private entity referred
25 to in subparagraph (B)—



1 “(i) complies with the penal laws of
2 the State;

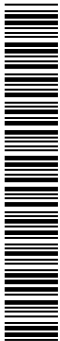
3 “(ii) conforms with the terms of the
4 contract and directives of the State or dis-
5 trict attorney;

6 “(iii) does not exercise independent
7 prosecutorial discretion;

8 “(iv) contacts any alleged offender re-
9 ferred to in subparagraph (A) for purposes
10 of participating in a program referred to in
11 such paragraph—

12 “(I) only as a result of any deter-
13 mination by the State or district at-
14 torney that probable cause of a bad
15 check violation under State penal law
16 exists, and that contact with the al-
17 leged offender for purposes of partici-
18 pation in the program is appropriate;
19 and

20 “(II) the alleged offender has
21 failed to pay the bad check after de-
22 mand for payment, pursuant to State
23 law, is made for payment of the check
24 amount;

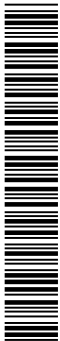


1 “(v) includes as part of an initial writ-
2 ten communication with an alleged of-
3 fender a clear and conspicuous statement
4 that—

5 “(I) the alleged offender may dis-
6 pute the validity of any alleged bad
7 check violation;

8 “(II) where the alleged offender
9 knows, or has reasonable cause to be-
10 lieve, that the alleged bad check viola-
11 tion is the result of theft or forgery of
12 the check, identity theft, or other
13 fraud that is not the result of the con-
14 duct of the alleged offender, the al-
15 leged offender may file a crime report
16 with the appropriate law enforcement
17 agency; and

18 “(III) if the alleged offender noti-
19 fies the private entity or the district
20 attorney in writing, not later than 30
21 days after being contacted for the
22 first time pursuant to clause (iv), that
23 there is a dispute pursuant to this
24 subsection, before further restitution
25 efforts are pursued, the district attor-



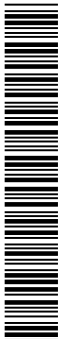
1 ney or an employee of the district at-
2 torney authorized to make such a de-
3 termination makes a determination
4 that there is probable cause to believe
5 that a crime has been committed; and
6 “(vi) charges only fees in connection
7 with services under the contract that have
8 been authorized by the contract with the
9 State or district attorney.

10 “(b) CERTAIN CHECKS EXCLUDED.—A check is de-
11 scribed in this subsection if the check involves, or is subse-
12 quently found to involve—

13 “(1) a postdated check presented in connection
14 with a payday loan, or other similar transaction,
15 where the payee of the check knew that the issuer
16 had insufficient funds at the time the check was
17 made, drawn, or delivered;

18 “(2) a stop payment order where the issuer
19 acted in good faith and with reasonable cause in
20 stopping payment on the check;

21 “(3) a check dishonored because of an adjust-
22 ment to the issuer’s account by the financial institu-
23 tion holding such account without providing notice
24 to the person at the time the check was made,
25 drawn, or delivered;



1 “(4) a check for partial payment of a debt
2 where the payee had previously accepted partial pay-
3 ment for such debt;

4 “(5) a check issued by a person who was not
5 competent, or was not of legal age, to enter into a
6 legal contractual obligation at the time the check
7 was made, drawn, or delivered; or

8 “(6) a check issued to pay an obligation arising
9 from a transaction that was illegal in the jurisdiction
10 of the State or district attorney at the time the
11 check was made, drawn, or delivered.

12 “(c) DEFINITIONS.—For purposes of this section, the
13 following definitions shall apply:

14 “(1) STATE OR DISTRICT ATTORNEY.—The
15 term ‘State or district attorney’ means the chief
16 elected or appointed prosecuting attorney in a dis-
17 trict, county (as defined in section 2 of title 1,
18 United States Code), municipality, or comparable ju-
19 risdiction, including State attorneys general who act
20 as chief elected or appointed prosecuting attorneys
21 in a district, county (as so defined), municipality or
22 comparable jurisdiction, who may be referred to by
23 a variety of titles such as district attorneys, pros-
24 ecuting attorneys, commonwealth’s attorneys, solici-
25 tors, county attorneys, and state’s attorneys, and



1 who are responsible for the prosecution of State
2 crimes and violations of jurisdiction-specific local or-
3 dinances.

4 “(2) CHECK.—The term ‘check’ has the same
5 meaning as in section 3(6) of the Check Clearing for
6 the 21st Century Act.

7 “(3) BAD CHECK VIOLATION.—The term ‘bad
8 check violation’ means a violation of the applicable
9 State criminal law relating to the writing of dishon-
10 ored checks.”.

11 (b) CLERICAL AMENDMENT.—The table of sections
12 for the Fair Debt Collection Practices Act (15 U.S.C.
13 1692 et seq.) is amended—

14 (1) by redesignating the item relating to section
15 818 as section 819; and

16 (2) by inserting after the item relating to sec-
17 tion 817 the following new item:

“818. Exception for certain bad check enforcement programs operated by pri-
vate entities.”.

18 **SEC. 802. OTHER AMENDMENTS.**

19 (a) *LEGAL PLEADINGS.*—Section 809 of the Fair Debt
20 Collection Practices Act (15 U.S.C. 1692g) is amended by
21 adding at the end the following new subsection:

22 “(d) *LEGAL PLEADINGS.*—A communication in the
23 form of a formal pleading in a civil action shall not be

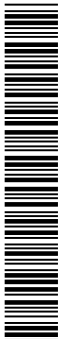


1 *treated as an initial communication for purposes of sub-*
2 *section (a).”.*

3 **(b) NOTICE PROVISIONS.**—*Section 809 of the Fair*
4 *Debt Collection Practices Act (15 U.S.C. 1692g) is amended*
5 *by adding after subsection (d) (as added by subsection (a)*
6 *of this section) the following new subsection:*

7 **“(e) NOTICE PROVISIONS.**—*The sending or delivery of*
8 *any form or notice which does not relate to the collection*
9 *of a debt and is expressly required by the Internal Revenue*
10 *Code of 1986, title V of Gramm-Leach-Bliley Act, or any*
11 *provision of Federal or State law relating to notice of data*
12 *security breach or privacy, or any regulation prescribed*
13 *under any such provision of law, shall not be treated as*
14 *an initial communication in connection with debt collection*
15 *for purposes of this section.”.*

16 **(c) ESTABLISHMENT OF RIGHT TO COLLECT WITHIN**
17 **THE FIRST 30 DAYS.**—*Section 809(b) of the Fair Debt Col-*
18 *lection Practices Act (15 U.S.C. 1692g(b)) is amended by*
19 *adding at the end the following new sentences: “Collection*
20 *activities and communications that do not otherwise violate*
21 *this title may continue during the 30-day period referred*
22 *to in subsection (a) unless the consumer has notified the*
23 *debt collector in writing that the debt, or any portion of*
24 *the debt, is disputed or that the consumer requests the name*
25 *and address of the original creditor. Any collection activi-*



1 *ties and communication during the 30-day period may not*
2 *overshadow or be inconsistent with the disclosure of the con-*
3 *sumer's right to dispute the debt or request the name and*
4 *address of the original creditor.”.*

5 **TITLE IX—CASH MANAGEMENT**
6 **MODERNIZATION**

7 **SEC. 901. COLLATERAL MODERNIZATION.**

8 (a) IN GENERAL.—Section 9301(2) of title 31,
9 United States Code, is amended to read as follows:

10 “(2) ‘eligible obligation’ means any security
11 designated as acceptable in lieu of a surety bond by
12 the Secretary of the Treasury.”.

13 (b) USE OF ELIGIBLE OBLIGATIONS INSTEAD OF
14 SURETY BONDS.—Section 9303(a)(2) of title 31, United
15 States Code, is amended to read as follows:

16 “(2) as determined by the Secretary of the
17 Treasury, have a market value that is equal to or
18 greater than the amount of the required surety
19 bond; and”.

20 (c) TECHNICAL AMENDMENTS.—Section 9303 of title
21 31, United States Code, is amended—

22 (1) in the section heading, by striking “**Gov-**
23 **ernment obligations**” and inserting “**eligible**
24 **obligations**”;



1 (2) in subsection (f), by striking “Government
2 obligations” and inserting “eligible obligations”;

3 (3) by striking “a Government obligation” each
4 place that term appears and inserting “an eligible
5 obligation”; and

6 (4) by striking “Government obligation” each
7 place that term appears and inserting “eligible obli-
8 gation”.

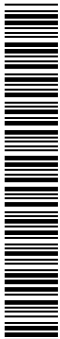
9 **TITLE X—STUDIES AND**
10 **REPORTS**

11 **SEC. 1001. STUDY AND REPORT BY THE COMPTROLLER**
12 **GENERAL ON THE CURRENCY TRANSACTION**
13 **REPORT FILING SYSTEM.**

14 (a) IN GENERAL.—The Comptroller General of the
15 United States shall conduct a study on the volume of cur-
16 rency transaction reports filed with the Secretary of the
17 Treasury under section 5313(a) of title 31, United States
18 Code.

19 (b) PURPOSE.—The purpose of the study required
20 under subsection (a) shall be—

21 (1) to evaluate, on the basis of actual filing
22 data, patterns of currency transaction reports filed
23 by depository institutions of all sizes and locations;
24 and



1 (2) to identify whether and the extent to which
2 the filing rules for currency transaction reports de-
3 scribed in section 5313(a) of title 31, United States
4 Code—

5 (A) are burdensome; and

6 (B) can or should be modified to reduce
7 such burdens without harming the usefulness of
8 such filing rules to Federal, State, and local
9 anti-terrorism, law enforcement, and regulatory
10 operations.

11 (c) PERIOD COVERED.—The study required under
12 subsection (a) shall cover the period beginning at least 3
13 calendar years prior to the date of enactment of this sec-
14 tion.

15 (d) CONTENT.—The study required under subsection
16 (a) shall include a detailed evaluation of—

17 (1) the extent to which depository institutions
18 are availing themselves of the exemption system for
19 the filing of currency transaction reports set forth in
20 section 103.22(d) of title 31, Code of Federal Regu-
21 lations, as in effect during the study period (in this
22 section referred to as the “exemption system”), in-
23 cluding specifically, for the study period—

24 (A) the number of currency transaction re-
25 ports filed (out of the total annual numbers) in-



1 volving companies that are listed on the New
2 York Stock Exchange or the NASDAQ Na-
3 tional Market;

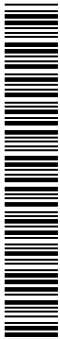
4 (B) the number of currency transaction re-
5 ports filed by the 100 largest depository institu-
6 tions in the United States by asset size, and
7 thereafter in tiers of 100, by asset size;

8 (C) the number of currency transaction re-
9 ports filed by the 200 smallest depository insti-
10 tutions in the United States, including the
11 number of such currency transaction reports in-
12 volving companies listed on the New York Stock
13 Exchange or the NASDAQ National Market;
14 and

15 (D) the number of currency transaction re-
16 ports that would have been filed during the fil-
17 ing period if the exemption system had been
18 used by all depository institutions in the United
19 States;

20 (2) what types of depository institutions are
21 using the exemption system, and the extent to which
22 such exemption system is used;

23 (3) difficulties that limit the willingness or abil-
24 ity of depository institutions to reduce their currency
25 transaction reports reporting burden by making use



1 of the exemption system, including considerations of
2 cost, especially in the case of small depository insti-
3 tutions;

4 (4) the extent to which bank examination dif-
5 ficulties have limited the use of the exemption sys-
6 tem, especially with respect to—

7 (A) the exemption of privately-held compa-
8 nies permitted under such exemption system;
9 and

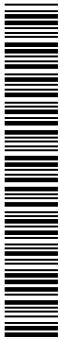
10 (B) whether, on a sample basis, the reac-
11 tion of bank examiners to implementation of
12 such exemption system is justified or inhibits
13 use of such exemption system without an offset-
14 ting compliance benefit;

15 (5) ways to improve the use of the exemption
16 system by depository institutions, including making
17 such exemption system mandatory in order to reduce
18 the volume of currency transaction reports unneces-
19 sarily filed; and

20 (6) the usefulness of currency transaction re-
21 ports filed to law enforcement agencies, taking into
22 account—

23 (A) advances in information technology;

24 (B) the impact, including possible loss of
25 investigative data, that various changes in the



1 exemption system would have on the usefulness
2 of such currency transaction reports; and

3 (C) changes that could be made to the ex-
4 emption system without affecting the usefulness
5 of currency transaction reports.

6 (e) ASSISTANCE.—The Secretary of the Treasury
7 shall provide such information processing and other assist-
8 ance, including from the Commissioner of the Internal
9 Revenue Service and the Director of the Financial Crimes
10 Enforcement Network, to the Comptroller General in ana-
11 lyzing currency transaction report filings for the study pe-
12 riod described in subsection (c), as is necessary to provide
13 the information required by subsection (a).

14 (f) VIEWS.—The study required under subsection (a)
15 shall, if appropriate, include a discussion of the views of
16 a representative sample of Federal, State, and local law
17 enforcement and regulatory officials and officials of depos-
18 itory institutions of all sizes.

19 (g) RECOMMENDATIONS.—The study required under
20 subsection (a) shall, if appropriate, include recommenda-
21 tions for changes to the exemption system that would re-
22 flect a reduction in unnecessary cost to depository institu-
23 tions, assuming reasonably full implementation of such ex-
24 emption system, without reducing the usefulness of the



1 currency transaction report filing system to anti-ter-
2 rorism, law enforcement, and regulatory operations.

3 (h) REPORT.—Not later than 15 months after the
4 date of enactment of this section, the Comptroller General
5 shall submit a report on the study required under sub-
6 section (a) to the Committee on Banking, Housing, and
7 Urban Affairs of the Senate and the Committee on Finan-
8 cial Services of the House of Representatives.

9 **SEC. 1002. STUDY AND REPORT ON INSTITUTION DIVERSITY**
10 **AND CONSOLIDATION.**

11 (a) STUDY.—The Comptroller General of the United
12 States shall conduct a study regarding—

13 (1) the vast diversity in the size and complexity
14 of institutions in the banking and financial services
15 sector, including the differences in capital, market
16 share, geographical limitations, product offerings,
17 and general activities;

18 (2) the differences in powers among the deposi-
19 tory institution charters, including—

20 (A) identification of the historical trends in
21 the evolution of depository institution charters;

22 (B) an analysis of the impact of charter
23 differences to the overall safety and soundness
24 of the banking industry, and the effectiveness of



1 the applicable depository institution regulator;
2 and

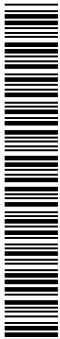
3 (C) an analysis of the impact that the
4 availability of options for depository institution
5 charters on the development of the banking in-
6 dustry;

7 (3) the impact that differences of size and over-
8 all complexity among financial institutions makes
9 with respect to regulatory oversight, efficiency, safe-
10 ty and soundness, and charter options for financial
11 institutions; and

12 (4) the aggregate cost and breakdown associ-
13 ated with regulatory compliance for banks, savings
14 associations, credit unions, or any other financial in-
15 stitution, including potential disproportionate impact
16 that the cost of compliance may pose on smaller in-
17 stitutions, given the percentage of personnel that the
18 institution must dedicate solely to compliance.

19 (b) CONSIDERATIONS.—In conducting the study
20 under subsection (a), the Comptroller General shall con-
21 sider the efficacy and efficiency of the consolidation of fi-
22 nancial regulators, as well as charter simplification and
23 homogenization.

24 (c) REPORT.—Not later than 1 year after the date
25 of enactment of this Act, the Comptroller General of the



1 United States shall submit a report to the Committee on
2 Banking, Housing, and Urban Affairs of the Senate and
3 the Committee on Financial Services of the House of Rep-
4 resentatives on the results of the study required by this
5 section.

